

GERMANY—WHAT NEXT ?

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**Being an examination of the German menace
in so far as it affects Great Britain**

by

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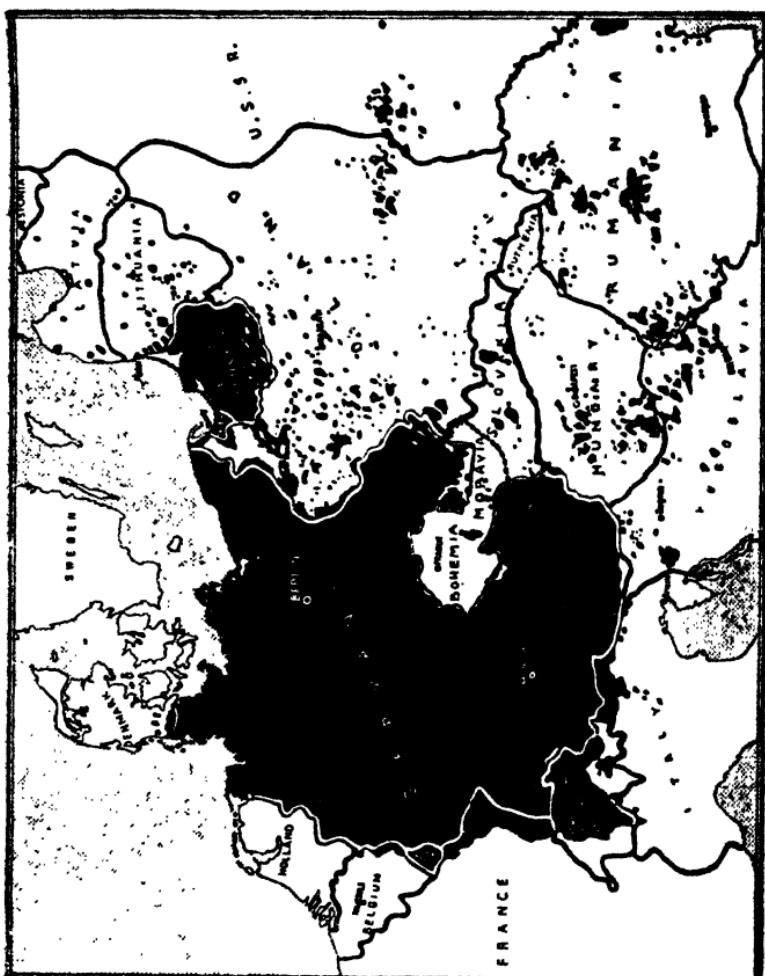
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GERMAN SPEAKING AREAS IN EUROPE

Only an approximate indication is given
of the areas in which German is spoken.



From a map in the *Bulletin of International News*, by permission
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INTRODUCTION

INTRODUCTION

By RICHARD KEANE

THIS book has been at once overtaken and justified by events. It was written before the conquest of Czechoslovakia, when England was being lulled into a wrong sense of security by the word of an unscrupulous dictator; when misguided optimism here was inducing small investors from the provinces to buy on the stock market, encouraging Hitler to march on Prague and defeating the Government's schemes for organising civilian defence on a voluntary basis; and when nothing was being done to form that coalition of peace-loving nations which alone can save the British Empire.

To-day the menace is more clearly seen, but perhaps not even now is the full extent of its enormity appreciated. Every move that Hitler makes is conditioned by an over-weaning ambition to break up the British Empire—"Your ramshackle old empire," as Herr von Ribbentrop once said to Sir Nevile Henderson. German newspaper correspondents have been told by Hitler personally that England is Germany's enemy. Colonel Beck, the Polish Foreign Minister, when last in Berchtesgaden, was treated to a violent tirade against the satisfied powers who would not part with their riches. And on January 30, 1939, Hitler declared to the world that he in-

tended to obtain a redistribution of colonial territories. Colonies, he indicated, should be distributed among the Great Powers in proportion to their population. On this basis there was "justice," and if "justice" could not be peacefully attained, then force must decide. Hitler would therefore appear to be claiming at the point of the gun half the British Empire's colonial territories. At his side, exercising increasing influence over him, is a Foreign Minister inspired by hatred of England, urging his master to enslave Eastern Europe and suck from the rich valley of the Danube the raw materials and food which will make Germany invulnerable to the blockade that brought defeat in 1918. To those who point to the risks of aggression in Europe, Herr von Ribbentrop always returns the same answer. Not until England introduces compulsory military service need it be feared that she will enter a war against Germany.

As one by one the bastions of freedom fall before the onslaught of Nazi expansion, the day when Hitler will feel himself strong enough to dictate his demands to 10 Downing Street draws steadily nearer. He believes that the Germans are a superior race, entitled by reason of that superiority to rule the world. Blocking his path to world domination stand two democracies in military alliance, England and France. Their submission or their defeat, nothing less, can satisfy the Messiah of Aryan Germany. How can this be achieved?

Already Germany is well on her way to immunity from blockade. The great munition works of Skoda are added to those of Krupps; the oil of Rumania is but a few days' march away, if Rumania is left to

fight alone; and the fertile plains of the Danube are harvesting their corn for Germany alone. In the warehouses of Prague have been found vast stocks of raw materials—rubber, cotton and wool—valued at £125 millions; and in the vaults of Prague gold and foreign exchange—some £17 millions—have been seized wherewith Germany may buy in the world's markets still open to her the nickel and tungsten not to be found in Europe. Naval domination of the Baltic Sea will enable Germany to compel Sweden to furnish her with iron ore in time of war no less than of peace. Thus unless the democracies are prepared to fight for Rumanian oil, the day is at hand when Germany will feel assured that nothing the British Navy can do will deprive her of munitions or food.

So equipped, a nation of 80 millions faces on the Rhine another of 40 millions: 120 German divisions face 80 French ones. And to back these 120 divisions is an air force at least equal to the combined forces of England and France, ready to strike terror into the civilian population, to disorganise preparations for war only half made, to destroy the ports and harbours without which England cannot live.

Before long Germany will, if she has not done so already, urge her friends of the anti-comintern pact—Italy, Japan, Spain and Hungary—to join in a great offensive alliance against the British Empire. Upon what will the reply of these nations depend? It will depend, above all, upon the answer to this calculation: will such an offensive alliance result in the *speedy* defeat of England and France? And the answer to this question depends upon the friends which England and France can collect to

fight with them. It is now a race between coalitions, the one for war, the other for peace.

Alone, England and France would stand but a small chance of victory against such an unholy alliance. How long could France fight alone on three fronts, against Germany, Italy, and Spain? What would a small British expeditionary force avail? Despite the present two to one superiority of defence over offence, would not the Maginot Line eventually break under the weight of German numbers and artillery if French troops had to be drafted away to deal with the Italian and Spanish enemy? And what if Germany advanced through Switzerland? As things stand to-day, England and France are faced with the possibility of a four-power offensive alliance against them. Decisions momentous for the future of civilisation are in the balance. But it is within the power of five men in Downing Street—men of experience, intelligence, and years—to avert the destruction of freedom and decency as England and France and their Empires know it if only courage, imagination, and energy are shown. For nothing is more certain than that (i) Germany will not repeat her lesson of the last war by attacking England and France without allies, and (ii) these allies will not join Germany in attacking unless they are fully convinced that a rapid victory is assured.

To make sure that rapid victory is not within the grasp of a four-power alliance, England should mobilise on her side all the strength she can. In the first place, compulsory military service should be at once introduced, so that the French army of 80 divisions may immediately be supplemented on the

outbreak of war by a British army of at least half that size. In the second place, England should make certain that Germany would be faced with war on two fronts. Military alliances should at once be concluded with Poland, Russia, and the Balkan Entente (Rumania, Yugoslavia, Greece, and Turkey). At the same time everything possible should be done to ensure military supplies from the United States in war as well as in peace, and the fullest political and naval co-operation with the United States in the Far East. England and France should also categorically and publicly pledge themselves to the defence of Holland and Switzerland.

Admittedly there are risks to be run in any such coalition. If Poland and Rumania were attacked by Germany, England and France would have to counter-attack. The British Fleet would blockade, and the British Air Force would bomb German key factories and the Siegfried Line; Poland would be assisted by Russian planes and arms, and even Russian troops, if England and France guarantee Poland's territorial integrity at the close of the war; Rumania would be assisted both by Russia and by troops from the British Empire, for the control of the Black Sea would be in the hands of the allies; and Germany would be thrown back on her coal resources, which produce only 40 per cent. of her peace-time oil requirements. The war would mean disaster and destruction for Europe, but above all for Germany, for her defeat would be certain. But if courage and purpose are shown by the statesmen of England and France, Germany may be relied on not to commit suicide, if suicide is the inevitable outcome of war. The great

risks for peace will be risks well run, for the other road would bring our own defeat very near.

Such a coalition would be purely defensive. It would at once restore the balance of power to the side of the democracies. With a preponderance of force on the side of peace, Italy, Japan, and Spain would have no hesitation in rejecting German proposals to make war on the British Empire. To-day it is the very lack of a coalition for peace that tempts the unsatisfied powers to throw in their lot with Germany. Her strength once restored, England would then, and then only, be in a position to negotiate with Germany on trade, disarmament, or even colonies. If the coalition of peace-loving nations was firm and effective, Germany would know that the day of aggression was over, for aggression would carry with it the penalty of world war.

I have written a long chapter on German diplomacy, and attempted to sift the principles (which remain constant) from the methods (which are new to National Socialism). Sheila Grant Duff, authoress of *Europe and the Czechs*, follows with an estimate of the cost of Munich. Next, Captain Victor Gordon Lennox, most famous and most respected of all the London Diplomatic Correspondents, writes a chapter on the web that is being spun from that room perched high up among the mountains of Berchtesgaden. After him Bernard Keeling, an economist on the staff of a well-known institute for the study of international affairs, explains lucidly just what is that "closed economy system" of which we hear so much and why Germany is now in a "desperate economic situation".

Sir Sidney Barton, former Consul-General in Shanghai and Minister in Addis Ababa all during the Abyssinian war, is perhaps as well equipped as anybody in England to write about Germany's allies (or axis partners, to use the modern phrase). His thesis is that England, with an Empire where the white races are a minority, cannot afford to sacrifice ideals if she is to maintain her rule over the coloured races, since the Empire is built as much upon the moral force of the square deal as upon the guns of the British navy. He is followed by Mr. L. S. Amery, who writes about the German colonial claims with the authority of a former Secretary of State for the Colonies and the knowledge of one who has made a special study of the German case. His argument against the surrender of territory under British control is buttressed by General Tilho, who is acknowledged in France as the authority on the strategy of the defence of the French colonial empire. He speaks with the experience of a colonial administrator and explorer. The book concludes with character sketches of the Nazi leaders, from Hitler downwards, by an Englishman who knows Germany as well as he knows this country, and who spends there many months in the year.

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CHAPTER I
TOTALITARIAN DIPLOMACY
By RICHARD KEANE

“For what is peace? But war in masquerade.”—DRYDEN.

1. THE BISMARCK TRADITION

PRINCE BISMARCK used to suffer from periodic fits of deep depression and, like Hitler, he used to assuage his depression by listening to music—not Wagner, but Beethoven melodies on the piano. In one of these fits of depression he remarked to a friend seven years after the Franco-Prussian War:—

“ I have never in my long life made anybody happy, neither my friends, nor my family, nor myself. I have done harm, a great deal of harm. It is I who have been the cause of three big wars. It is I who on the field of battle have sent to their death 80,000 men who are to-day still mourned by their mothers, their brothers, their sisters, their widows. But that is all a matter between myself and God. I have never derived any happiness from it, and to-day my soul is troubled.”

This is the sorrow of a great man who mourned the cost in human lives that had been paid to bring the German people of Europe under the rule of Berlin. Hitler has completed this work of unification, like Bismarck by force, but, unlike him, without war. Hitlerian diplomacy owes much to Bismarck. The debt, although acknowledged, is not unduly emphasised, because National Socialism is a revolutionary movement. All revolutions stress the break they make with the past rather than the threads of

continuity that remain. The Third Reich is rebuilding Germany anew; and in that task the names of the architects are those of the Nazi leaders. So it comes about that the few references that Hitler makes to Bismarck in his *Mein Kampf* confessions are mainly by way of emphasis on changing conditions. Nevertheless, the only picture in Hitler's study in the new chancellery in Berlin is a large portrait of Bismarck.

Bismarck prussianised Germany. When he became Prime Minister of Prussia in 1862 he found a conglomeration of German States stirred with the impulse to unite into a nation, a nation in which Prussia would have been an equal partner with Austria. One of Bismarck's first acts was to oppose a scheme sponsored by Austria for a federal parliament and for the inclusion of Austria within the German customs union. He chose instead to impose by force a Prussian domination of Germany. It took three wars to place Germany under Prussian rule—1864 against Denmark, 1866 against Austria and 1870 against France. These three wars made the expansion of Prussia synonymous with the unification of a Germany which until then was made up of so many independent States linked only by a permanent conference of ambassadors at Frankfurt, with no more authority over its sovereign members than has the League of Nations over the States which are represented at Geneva. The unity of Germany has been hammered on the anvil of war. Force is as much second nature to the bureaucrats of Berlin as is compromise to the bureaucrats of White-hall. It is this spirit of Prussia, which died when the

World War was lost, that Hitler, an Austrian, has revived to-day in all the extremes of its brutality.

Mr. Harold Nicolson once wrote of the militant outlook of Germany in these words:—

“ The British conception both of policy and of negotiation is essentially a shopkeeper’s conception, a mercantile conception. We believe that when powerful interests come into conflict, it should always be possible to reach some compromise under which each side sacrifices something to the other side, and by which both will remain content. And we assume that once some such contract has been concluded, it will form the basis of stable collaboration in the future, and offer reasonable hope of satisfaction and finality.

“ The German conception, on the other hand, is the heroic or the warrior’s conception. He regards negotiation as a trial of strength, implying in its results that one side is victorious and the other defeated. Nor is this all. He is apt to envisage diplomacy as a form of warfare and to employ such military methods and devices as the feint, the surprise attack, the out-flanking movement, camouflage, the *Kraftprobe* or trench-raid and the limited objective. His tendency is to regard any concession as a local retreat and to set himself immediately to consolidate the position thus evacuated with a view to some further advance. Thus whereas to us negotiation is little more than a bargain between two men of business, the German is apt to regard any such settlement as unheroic and as a *Kuh-handel*, and to assume that any concessions which they may be asked to make are insulting humiliations, and any concessions which we may be ready to make are proofs of weakness on our part.”

No sooner was Hitler in power than he at once took steps to accelerate the rearmament that Bruening is supposed to have begun. In this he closely followed the Bismarck precedent. Bismarck met Parliament for the first time with a Bill to extend military conscription, and passed it into law over the head of Parliament, which refused the necessary credits. Both men, too, realised that it pays to advertise armaments and readiness to use them. Bismarck did not wince when Europe was aghast at his words that "the great questions of our time will not be decided by speeches and the decisions of the majority, but by blood and iron". No more did Hitler, when he repudiated certain clauses of the Versailles Treaty and introduced conscription. It was part of his plan to shock Europe, which he did at week-ends in order to secure the maximum of publicity. (Yet neither has gone so far as to speak of war as an aim in itself. Curiously enough, it has been left to Mussolini to declare: "War is to man what maternity is to woman"—it "alone brings up to the highest tension all human energy and puts the stamp of nobility upon the peoples who have the courage to meet it".)

Thinking, as it does, in terms of force, and of two solutions usually preferring the one imposed by force, German diplomacy tends to ignore moral values. This is called *realpolitik*: morality and sentiment are subordinated to power politics. It is an amusing contrast with present conditions to find Bismarck in 1857 pressing a policy of *realpolitik* upon the Prussian Prime Minister by writing to him in support of an alliance between Prussia

and France against Austria, on the grounds that Prussia ought not to be scandalised by the Bonapartist régime, with its "brutal centralisation, its destruction of all independent will, its disregard of right and liberty, its official lies, its corruption in the State and on the bourse and its docile scribes devoid of convictions". Bismarck never really understood moral values. "When an Englishman says 'Christ' he means 'cotton,'" he once remarked.

Hitler has simply picked up the traditions of this diplomacy that have lain buried in the archives of the Wilhelmstrasse ever since Germany made in 1914 that fatal mistake of reckoning upon England's neutrality. Certain first principles of diplomacy are as constant under Hitler as they were under Bismarck—reliance on force in preference to other methods, deliberate creation of dissension among other nations, camouflage of ultimate aims, and the careful preparation of each act of aggression, which is undertaken only after delicate probing of the European patient to make sure that he is ripe for operation without a convulsion. Even Hitler's first aim of uniting all Germans in the Reich is simply a continuance of the Bismarckian policy. Bismarck did not think that his work was done with the creation of the German Empire in the Hall of Mirrors at Versailles. Lord Odo Russell, the British Ambassador in Berlin, wrote in 1874: "Bismarck's policy is to annex the German-speaking provinces of Austria so as to make one great centralised Power of the German-speaking portions of Europe". If this aim was not realised, it was because an alliance with Austria, with consequent control of the Slav

population of Eastern Europe, was on balance thought to be more advantageous.

(1) *Dividing the Opponents.*—In his famous memorandum of January 1907 on “the present state of British relations with France and Germany”, Sir Eyre Crowe, Under-Secretary at the Foreign Office, wrote:—

“The maintenance of a state of tension and antagonism between third Powers has avowedly been one of the principal elements in Bismarck’s political combinations, by which he first secured, and then endeavoured to preserve, the predominant position of Germany on the Continent”.

He goes on to quote from Herr von Tschirschky, the then German Foreign Secretary:—

“Germany’s policy always had been, and would be, to try to frustrate any coalition between two States which might result in damaging Germany’s interests and prestige; and Germany would, if she thought that such a coalition was being formed, not hesitate to take such steps as she thought proper to break up the coalition”.

During all his twenty years of power Bismarck never forgot this rule. He made friends with Russia by helping to suppress the Poles; he estranged England from France by encouraging French designs on Belgium, and then at the crucial moment in 1870 publishing the evidence; and he did his best to preserve this antagonism by fanning the flames of Anglo-French colonial rivalry and urging England to occupy Egypt.

Hitler's guiding rule has been one and the same. All the resources of his propaganda were at one time directed to breaking the alliance between France and Russia by violent attacks suggesting that France was being made the tool of Russia and was encircling Germany. It was hoped thereby both to weaken the alliance and to estrange England from France, since British public opinion would feel its sense of fair play invoked and would question the value of a treaty so visibly the cause (albeit artificial) of tension. This is what actually happened. Hitler raged with such success against this purely defensive alliance that the treaty became definitely unpopular with a certain section of the Cabinet, including at one time Lord Halifax. Last autumn M. Bonnet, the French Foreign Minister, emphasised how slender was the thread binding France to Russia by recalling that to involve France aggression must be "unprovoked". Since then Germany has pursued a new tactic. She has tried to capitalise by kindness the Russian revulsion against England and France that followed the bloodless defeat of Czechoslovakia. German Press attacks on Russia abruptly ceased in October, and from then onwards scarcely one unfriendly word against Russia has passed the lips of a single Nazi leader. At the same time Germany has aimed to neutralise France behind the Maginot Line by concluding a pact of friendship.

The same principle of maintaining a "state of tension and antagonism between third Powers" clearly inspired German policy during the Abyssinian War. At one and the same time Germany silently encouraged Italy in her adventure, furnishing her

with economic assistance, and gave England to understand that she was co-operating *de facto* in sanctions as best she could (since she was not a working member of the League). That policy has had its reward in the Berlin--Rome axis, and a truly remarkable harvest it has been for Germany. The axis was, until January 30, 1939, when Hitler for the first time declared that a war against Italy would involve Germany, a resounding name for a simple, time-honoured diplomatic device. Germany and Italy had agreed to consult with one another on all matters of mutual interest, with a view to establishing a common policy. No more and no less. There was no formal alliance, no adjustment of conflicting interests.

The result of this bargain has been pure gain for Hitler, who capitalised Mussolini's resentment against the sanctionist Powers into a partnership in which the vital interests of Italy have been bargained away. Germany's first move was to involve Italy in the Spanish war, thus ensuring the continuance of antagonism between her and the Western democracies. This was in the very best Bismarckian tradition. Incidentally (and entirely secondarily) it has given Germany advantages in the shape of Spanish ports for her submarines, and Spanish mercury, tin and iron ore for her armament factories. The second move was to involve Italy on such a scale that she would weaken her forces at home, and would be unable to defend the independence of Austria. When this was done, and the tension with England was at such a pitch that Italy was reinforcing her Libyan garrison so as to threaten Egypt, the Austrian

apple, off which Hitler had never taken his eye, was ripe. The gardeners were quarrelling, and the thief could walk into the orchard in perfect safety.

Yet such is the vanity and pride of Mussolini that not even this blow to his country's vital interests has shaken his love of the German band-wagon, which, although it is going in the wrong direction, he climbs on to because it is a safe platform from which to hurl abuse at his old Abyssinian-war enemies and satisfy a truly Italian vindictiveness. As Eden once remarked, only the Italian language knows the word *vendetta*. And all the while Italy is losing trade in the Balkans to Germany and finding it daily more difficult to acquire the raw materials for her rearmament. In the end it may be Mussolini who would least fear a world war, because only in a German victory over England and France is there hope for Italy to reap those Mediterranean prizes of Egypt, Palestine, Syria or Tunisia to which astute German diplomats direct her eyes, not to give her the prizes, but to perpetuate the antagonism with the West. But Mussolini is not Italy, as is shown by the history of the September crisis, when Il Duce took the mobilisation order to the King to sign, and the latter, secure in the belief that he had the feelings of the Italian people behind him, refused.

(2) *The Camouflage of Ultimate Aims*.—In the same 1907 memorandum Sir Eyre Crowe remarks, after reviewing a series of incidents between England and Germany: —

"But perhaps even more remarkable is this other feature, also common to all these quarrels, that the

British Ministers, in spite of genuine indignation felt at the treatment to which they were subjected, in each case readily agreed to make concessions or accept compromises which not only appeared to satisfy all German demands, but were by the avowal of both parties calculated and designed to re-establish, if possible on a firm basis, the fabric of Anglo-German friendship. To all outward appearance absolute harmony was restored on each occasion after these separate settlements, and in the intervals of fresh outbreaks it seemed true, and was persistently reiterated, that there would be no further occasion for disagreement."

What was a remarkable feature in 1907 is almost a commonplace to-day. Each stage of his ambition Hitler would have the world believe is his last. On March 16, 1935, Hitler repudiated the disarmament clauses of the Versailles Treaty. On May 21 of that same year he made a resounding speech in which he gave a number of assurances designed to allay the alarm felt by the rest of Europe, which threatened to grow to such proportions that other nations might meet German rearmament gun for gun, war-plane for war-plane. It was necessary to give the impression that if Germany's right to rearm were admitted, her last demand had been satisfied. Herr Hitler therefore told the Reichstag, specially summoned to hear him speak and act as a sounding-board from which his words would reach the whole world:

"The German Government . . . will scrupulously observe any treaty voluntarily signed by them, *even if it was drawn up before they took over the government*

and power. They will therefore, in particular, observe and fulfil *all* obligations arising out of the Locarno Pact so long as other parties to the treaty are willing to adhere to the said pact. Germany neither intends nor wishes to interfere in the internal affairs of Austria, to annex Austria or to conclude an *anschluss*. The German Government will therefore respect unconditionally the articles (of the peace treaties) concerning the mutual relations of nations in other respects, *including the territorial provisions*, and will bring about the revisions inevitable in the course of time *only by the method of peaceful understandings.*"

Nine months later, when the Rhineland was reoccupied, Hitler, quite undaunted by the pledge he was in the act of breaking, made fresh promises of peace. He announced his readiness to conclude non-aggression pacts with his neighbours and to re-enter the League of Nations. And in a speech he declared on May 7, 1936:—

"We have no territorial demands to make in Europe. We are aware, above all, that all the causes of tension which arise as a result either of faulty territorial provisions or of a disproportion between the size of populations and their living space *cannot be solved by means of war in Europe.* At the same time we hope that human wisdom will help to mitigate the painful effects of these conditions and to remove causes of tension *by way of gradual evolutionary development in peaceful collaboration.*"

There is no need to stress further the pledges that have been broken. For Hitler they served their purpose. They masked the enormity of his ambitions, and, backed by the soothing words of propa-

ganda, they diverted attention from the forging of ever more and more armaments. At each stage the favourable atmosphere created by the giving of a pledge was exploited to delude the feeble eyes of democratic peoples. Deluged with a torrent of propaganda designed to quicken his sense of fair play, it is hardly surprising that the Englishman has on the whole been slow to apprehend the menace to his own freedom inherent in the rebirth of a new and more dangerous Prussian militarism. While Germany was rearming night and day, England was holding the St. George's bye-election, and the Socialists were indulging in the time-honoured pastime of Government-baiting, accusing (with effectiveness) the Government of leading the country into war. The bursting of the "shackles of Versailles", which was presented to the world as the restoration of equality for Germany, thus giving a prospect of peace, proved to be only a phase that preceded the removal of the "injustice" done to the Germans of Austria and the Sudetenland. To-day the establishment of a German domination in Europe—a process going on before our eyes—may prove to be only a phase that precedes the bid for world power and world domination. Only a strongly defended British Empire in alliance with peace-loving nations will prevent this stage being reached.

Still, it would be a mistake to dismiss Hitler's word as entirely worthless. Cast in the most emphatic manner, his pledges apply, on the surface, to all time; whereas in reality they are valid only in the moment when they are given. Thus inter-

preted, they are valuable. When Hitler told Chamberlain, both at Berchtesgaden and Godesberg, that he had no more territorial demands on Europe, he may have meant his hearer to believe that Europe would settle down once Czechoslovakia was "liquidated". But the true worth of his words lay in an assurance that there would be a pause in the Nazi programme of expansion, and that German troops would not straightway march farther to the east.

The German "peace settlement" campaign in the spring of 1935 came during perhaps the most crucial of all post-war years, since that year saw the foundations of German supremacy in the air being laid. The British public did not accept the principle of rearmament until the General Election in the autumn. Only on one condition could Mr. Baldwin, the Prime Minister, have launched rearmament in the spring of 1935 instead of a year later. To rise above the deluge of socialist propaganda that dubbed as war-mongering every reminder from the Government that Britain was dangerously disarmed, he would have had to name Germany as the danger and reveal, amid rising international tension and a torrent of abuse from across the Channel, the millions she was secretly spending on guns and war-planes. Upon this condition he might have saved a vital year that the locusts have eaten and perhaps have had a chance of winning the General Election nine months earlier.

In April 1936 Mr. Anthony Eden, the Foreign Secretary, issued a blue book of *Correspondence Showing the Course of Certain Diplomatic Discussions Directed Towards Securing an European Settlement.*

It was meant as an indictment of German good faith after the occupation of the Rhineland. In May 1935 Hitler, in the most resounding of his "peace settlement" speeches, made two statements of importance:—

(1) "The German Government are ready to agree to an air convention to supplement the Locarno Pact and to enter into discussions regarding the same. . . . The German Government have already voluntarily made known certain limitations to their intentions. In this way they have done their best to show their goodwill to avoid an unrestricted world armaments race. Their limitation of the German air arm to a condition of parity with the various other Western Great Powers renders possible *at any time* the fixing of a maximum which Germany will then undertake to observe scrupulously.

(2) "The German Government are ready to conclude pacts of non-aggression with their various neighbouring states."

The British Government naturally followed up Hitler's offer through the diplomatic channels. The pretence of concluding non-aggression pacts in the East was soon dropped by the German Government. That had served its purpose. It was soothing syrup for the British public. But the offer of an air pact (the idea had been discussed between British and French statesmen in February) was more serious. It was meant to keep the British Government in play and postpone the day when England would answer the German challenge by herself arming in the air.

For the first few months French intransigence played into German hands. Negotiation on the draft for an air pact handed to the British Foreign Office a week after Hitler's May speech hung fire until the end of July because France (M. Laval) insisted that air-pact discussion must be part and parcel of wider settlement talks. In the end he gave way. What happened? After a little preliminary fencing, the British Chargé d'Affaires was told on August 22nd that Hitler "could not define his attitude on a question of such intricacy until after the holidays". In the autumn the British were busy with the Abyssinian war, and it was not until December that Sir Samuel Hoare returned to the charge. Hitler was reported by the French Ambassador as saying that he was unwilling to negotiate an air pact pending the settlement of the Abyssinian "question". The British Ambassador was instructed to seek an interview with Hitler. It took him ten days to arrange it, and by this time it was hardly more than a week before Christmas. But the interview was worth while. Hitler stated categorically that "the Franco-Soviet military alliance directed against Germany had rendered any air pact out of the question, for the bringing into the picture of Russia had completely upset the balance of power in Europe. . . . Berlin might easily in a few hours be reduced to a heap of ashes by a Russian air attack."

This was final. The pretence of willingness to negotiate an air pact had served its purpose. By postponing for nine months the moment of having to say "no", a valuable start in air armaments had been won for Germany.

(3) *The Limited Objective.*—One of Bismarck's best biographers has likened his procedure in diplomacy to that of a wild-fowl shooter who, in crossing a deep bog, will carefully test the ground before advancing from one position to another. Bismarck prepared each of his coups with the greatest care. He first of all set himself a limited objective. He then set out to attain that objective by combining the fullest military preparations with a diplomacy designed to assure Prussia of the neutrality of other States. Of Russian benevolence he always felt sure because of a common interest between the two countries in the suppression of Polish insurrection. French neutrality he persistently courted. When Napoleon III proposed a conference to settle the Danish crisis, Bismarck was careful not to refuse; he left it to England to incur this odium, and thus cemented a tacit understanding with France, the fruits of which would, it was hinted, be an extension of French rule to include Luxembourg and the French-speaking districts of Belgium. This understanding was implicitly confirmed before the war of 1866, when Napoleon III sent a special envoy to Berlin in the person of General Fleury, instructed to bargain rather than warn.

In the light of the lesson of the Great War, when Germany counted without just reason upon British neutrality, Hitler has certainly reverted to the Bismarck tradition of carefully testing the ground before each major move, and setting himself each time a definite objective for which the most thorough military preparations are made. The occupation

of the Rhineland in March 1936 was preceded by a Press campaign of several weeks, clearly designed to test the strength of the enemy. It failed to evoke any warning of the consequences from the Western Powers, and from this Hitler drew the correct deduction that the Western Powers would not resist him by war. The very day before the occupation Eden was receiving the German Ambassador. He uttered no word of warning as to the consequences of Germany breaking the Locarno Treaty, although the British and French newspapers were full of foreboding. Nor did Eden warn the German Foreign Minister when he saw him at the time of the King's funeral five weeks earlier. Yet Baron von Neurath gave a significant hint then as to what was impending. The German Government, he said, fully intended to respect the Treaty of Locarno. *All that was asked was that others should observe it in the spirit as well as in the letter.* The Foreign Secretary's mind must have leapt to the violent campaign being waged in the German Press concerning the incompatibility of the Franco-Soviet Pact with the Locarno Treaty, a campaign with only one inference. Yet Eden replied quietly that he was glad to hear the German Foreign Minister say this. Doubtless his brief from the Cabinet did not allow him to say more.

There is every reason for believing that if the reaction of the Western democracies to the deliberate Press campaign had been to give Berlin a warning of military action in clear and unmistakable terms (and this the Government was not prepared to do), Hitler would never have ordered a single German

soldier to set foot in the Rhineland that spring. The German army would have been annihilated in a few weeks. Poland, Yugoslavia and Czechoslovakia would all have supported France, while Italy would have remained neutral. The fortification of the Rhineland by Germany has been the turning-point of post-war European history. And it needed little prescience to see this at the time. The Nazi rulers of Germany had won their way to power by force, their philosophy was one of force, and the aims of Hitler were set out in the Bible of his party *Mein Kampf*. Hitler's mastery of Europe dates from the day when Germany was permitted to set up a wall of steel and bayonets along the Rhine, shutting France out from the fulfilment of her obligations to her Eastern allies. Germany, perhaps, could not for ever be prevented from doing what she liked with territory that was, after all, her own. *But it was imperative that England, with her people only slowly waking to the necessity for rearmament if Germany was not to gain superiority in air power, should play for time.* And with overwhelming military strength still on her side and that of France, this should have been possible. The first duty of a Foreign Minister is to weigh the consequences of hypothetical eventualities, and then, if these consequences are seen to be disastrous (and the darkest side of the picture should always be well studied), everything possible should be done to prevent the hypothetical from being transformed into the actual.

Before occupying Austria, Hitler was no less careful to test the attitude of London. Lord Halifax journeyed specially to Berchtesgaden. As a member

of the Cabinet and in the confidence of the Prime Minister, he spoke with the authority of the British Government. What he said has never been officially divulged. But there are certain things which he clearly did not say. He gave no warning that England would fight for Austrian independence. On the contrary, a warning from Hitler that Britain should disinterest herself in Central Europe if she wished to avoid war passed, so far as is known, without any official rejoinder from London through the diplomatic channels. In these circumstances Hitler felt quite safe, although to make doubly sure he sent Herr von Ribbentrop, his Foreign Minister, to London to make an independent report on the probability of British neutrality. In the end the date of the invasion was advanced a week owing to Schuschnigg's decision to hold a snap plebiscite, so that, contrary to plan, the Foreign Minister was actually in London when the invasion occurred.

Likewise with Czechoslovakia. The official position defined in the declaration of March 24 was that Germany could not count on British neutrality. This was ambiguous. Could it not also mean that Germany need not count on British intervention? This was Ribbentrop's view, and Hitler was inclined to accept it. Wiedemann was sent to London, and he saw Lord Halifax. He suggested that Goering should come to England. Lord Halifax did not agree that the moment was opportune. But, as in Berchtesgaden, he did not take the opportunity of a conversation with a personal envoy of Hitler's to warn the inaccessible Fuehrer of British inter-

vention in the event of an invasion of Czechoslovakia. Did Wiedemann report that England would not fight for Czechoslovakia? That is not known. But what is certain is that Hitler, after carefully testing the ground (and no doubt weighing special evidence, such as Chamberlain's remarks to the American correspondents at a luncheon-party given by Lady Astor, that he did not intend to involve England in war for the sake of Czechoslovakia), had decided by August that, whatever the public statements of the British Government, he could, in fact, rule out British intervention. He knew, too, that France was disinclined to fight. Had not M. Bonnet ignored M. Litvinoff's proposals of September 2nd for staff conversations between France and Russia? In any case, would France fight unless she was certain of England? Only the mobilisation of the British Fleet caused him to change his mind.

That in each of his three major coups Hitler should have taken such careful soundings before coming to the conclusion that Britain would remain neutral is a fact of the greatest importance, and one that makes for peace. It shows that Hitler does not lightly gamble with war, that he is most calculating when he is most audacious, and that, as he has looked for warnings of British intervention in the past when they have not been given, so he is unlikely to disregard these warnings if and when they are given in the future.

2. EXPLOITATION OF PUBLIC OPINION

To back up a diplomacy based upon these traditional principles Hitler has developed out of all recognition the weapon of propaganda which was first used on an extensive scale by the Allies in the Great War. *Mein Kampf* shows how much Hitler was impressed by the value of the Allied propaganda. His remarks about it and the principles he lays down are enunciated in a chapter headed "War Propaganda". What he says about propaganda in war is what he is carrying out to-day in peace time. His most striking observation, and one that cannot be too often quoted, is this :—

" But only particularly big lies, which are so big that nobody can believe that they are lies, are effective. . . . In the bigness of the lie there lies always a certain factor of credulity, for the broad mass of the people becomes more easily corrupt than consciously and intentionally evil, so that with their primitive intelligence a big lie is more easily swallowed than a small one, for they themselves often lie in small things but would be ashamed of telling a really big lie. It would never occur to them to tell such an untruth, and they could never believe in the possibility of such amazing impudence and infamous distortion in others; in fact, even if the falsehood were exposed, they would for a long time be doubtful, and would hesitate and seize any chance of still believing it was true, so that from even the most impudent lie something would still survive."

It is only fair to add that Hitler does not lay down this doctrine of falsehood as his own propaganda recipe. In the passage just quoted he is writing of the

“ Marxist propaganda ” which saddled Ludendorff with the responsibility for losing the war. The Nazi dogma is that the Communists stabbed Germany in the back. Nevertheless, what Hitler says here about Marxist propaganda is true of his own; and it affords additional evidence of how much Hitler has borrowed from his rival revolutionaries. Nowhere in *Mein Kampf* is there any recognition of the fact that the strength of propaganda may lie in having right and truth on its side (in other words, a good moral case). The whole question is treated as a matter of salesmanship. The intrinsic quality of the article to be sold is regarded as a matter of indifference. This is the great weakness of the Goebbels propaganda machine.

Propaganda serves the foreign policy of the Third Reich chiefly in two ways: it prepares the German nation to follow its leaders without questioning and without thinking, and it undermines resistance abroad to the German expansionist aims. The first of these tasks is a matter of daily routine. The entire Press of 80 million people is rigidly controlled concerning the news it may print and the views it may express. There is a single purpose behind all this—to establish throughout Germany unity of thought as well as of action. This explains why National Socialism feels itself compelled to attack the Jews and the Church, for both the Jews and the Church are communities of independent thought. All independence of thought is in the highest degree repugnant to Nazi philosophy. It sees the unity of the nation endangered.

The mechanism of this Press control has been

described in an article in the *Contemporary Review* of December 1938 by Ernst Albert, a former Austrian Press attaché in Berlin. Every day at noon a Press conference is held at the offices of the Propaganda Ministry in the Wilhelmstrasse. Each Berlin newspaper is represented by a regular confidential envoy, who receives instructions and communicates them to his editor. These instructions are strictly confidential, and to divulge them is punishable by death as betrayal of State secrets. There is no known case of capital punishment having been inflicted; but a member of the staff of the *Berliner Boersen Zeitung* has been condemned to penal servitude for life on a charge of having informed the foreign Press of the contents of the instructions he had received at a Press conference.

The instructions are of a very detailed nature. They contain indications of what news is not allowed to be published, how other news should be commented upon and how the headlines should run. Journalists who do not fulfil these instructions satisfactorily may be struck off the official register, and thereby lose the right to continue their profession. The editor of an important Berlin evening newspaper was once temporarily suspended because in the second edition, for want of space, he did not publish a picture of Dr. Goebbels addressing a mass meeting, and greatly cut down the report of his speech.

In the provinces the newspapers are instructed by branch offices of the Propaganda Ministry, which sends out its commands by means of an extensive system of teleprinters. Instructions of minor importance are issued by the official German News

Agency. German correspondents abroad receive "guidance" from their Embassies and Legations. The German journalist, in fact, is a public official, and rightly wears the professional uniform which was first to be seen when Hitler visited Mussolini in Rome last April.

The German Press attacks on Great Britain that succeeded the Munich Agreement afford a particularly interesting sample of the unscrupulous use to which propaganda is put. When the Czechoslovak crisis was over, Hitler found, perhaps for the first time in his five years of power, that public opinion was moving very differently from the way in which he had calculated. He had expected the conquest of the Sudetenland to be received with immense enthusiasm. Instead, pride in the aggrandisement of the Fatherland was swamped by relief that the shadow of war had passed. Victory became secondary to escape from catastrophe, and this was a bitter pill to those who had led Germany through incalculable dangers to a truly staggering triumph. Their reward seemed to be snatched from them in the very moment of success.

Hitler felt the first symptoms of this when he went to Berlin after making his resounding speech at the Nuremberg Congress in September. The crowds were silent as the troops marched through the streets. They were silent, too, as their Fuehrer drove by. But when Chamberlain came over to avert the war which almost all feared, they cheered. It is true that those who cheered were the old men and the women—the able-bodied men of Germany were in the ranks of the army or the party. Yet

Hitler must have sensed that these cheers came from the heart of Germany. He found, too, that when the crisis was all over, Mr. Chamberlain had stolen some of his thunder. Germany felt that they owed the Sudetenland to the British Prime Minister quite as much as to Hitler.

All this affected Hitler in two ways. He began to nurse a personal resentment against Chamberlain. He was, in fact, angry. And he determined to scotch the growing feeling in Germany that the worst was now over, that England was their friend, that the belts that had been tightened for so long could now at long last be loosened. Hitler sees himself as a man with a mission, as the Messiah of the German people. And his mission was not yet done. Once again he had to launch the old war-cry that never fails to evoke a response from the unquenchable flame of German patriotism. The ink was scarcely dry upon the Munich Agreement before Hitler was telling his people that Germany was surrounded by enemies eager to lay her low. You may think, he said, in effect, that England is your friend. But England is not Neville Chamberlain. Her friendship is built upon the quicksands of an unstable democracy, and overnight Chamberlain may be succeeded by the war-mongers—Churchill, Eden and the Labour Opposition. The Press received their instructions. England was to be attacked. Churchill was to be accused of complicity in the murder of the German diplomat, von Rath. All was not yet safe, because England was only waiting her opportunity for revenge, to stab the hated Government of Germany in the back.

No, the belts could not be loosened. They must be tightened still further. In other words, just as the attacks on Russia were not for the purpose of war on Russia but to weaken the Franco-Soviet Pact, so the attacks on England were not to make war on England (just then), but to harden Germany for further efforts, so that her people will accept less and less butter and more and more guns.

Another aspect of the day-to-day task of propaganda is that of preparing the nation to accept war as the highest duty. Perhaps the apogee of this "moral rearmament" is reached at the annual party rally every September in Nuremberg. There the propaganda machine is directed towards a deification of Hitler as the infallible Messiah of his people, whose prerogative it is to demand of them, if need be, the supreme sacrifice of death. The climax of this stage-management is a sort of confirmation service of the nation's youth in which forty thousand boys of eighteen years go through a pagan ceremony, dedicating their lives, not to God, but to their Fuehrer and the Fatherland. They chant a hymn of thanksgiving to the Fuehrer, containing all the rhythm of a biblical psalm:—

"We heard His voice while Germany slept. . . . His hand has made us a nation again, his hand has led us back to the Fatherland . . . our nation and our country will remain even if we die. United we stand for Germany . . . for we are the standard-bearers of a new age . . . We are soldiers who ask no questions; we are ever ready to serve. . . . *We serve God in that we serve our nation on this earth.* . . . Our whole life we dedicate to the Fuehrer."

The same spirit of loyalty to the Fatherland and unthinking obedience to the Fuehrer is instilled into the boys of Germany at an age when in England they are boy scouts learning the wolf-cub lore and the importance of doing a good deed every day. At Nuremberg these little boys, with faces old for their years, march through the streets, beating the drum when they should be playing in the gutter. "If we must die," they are taught to sing, "then the duty of maintaining and preserving our country devolves upon our heirs."

Abroad, German propaganda is directed to a single aim—the undermining of resistance to German expansion. It is distributed by four methods: newspapers, the radio, the cinema and the spoken word.

In Central Europe there are no illusions about the *Drang nach Osten*. But the newspapers are as numerous as they are impoverished. Much as they dislike the German news service, they draw the bulk of their foreign news from it because the cost is negligible. The German D. N. R. news service has a certain technical advantage in the distributing of news. A German firm has patented a machine, known as the "hell machine" ("hell" means "en clair"), which is able to pick up electric impulses received by wireless and relay them as written words like any tape machine. This invention is being installed in Central European newspaper offices on easy payments. Newspapers that find themselves in arrears become very susceptible to the German outlook. Another German method of distributing news is to broadcast it in German on a very high wave-length (about 3,000) which can be

picked up on special German sets. This news is dictated at a slow speed, so that it can be taken down on to the typewriter as it is listened to.

The German news is not false. What is tendentious is the selection. No item of news is missed that advertises the military strength of Germany and the weaknesses and dissensions of her opponents. Zeesen, the German short-wave station that works a twenty-two-hour day seven days a week, refrains from the spleenetic attacks that overrun the vituperative pages of the German Press. But it steadily builds up in the minds of its listeners the impression that the democracies are on the decline and that the tide of a new resurgent age runs strongly with the totalitarian States. Likewise with the cinema. Germany is developing her sale of news reels at cheap prices. The pictures shown of Germany are of an ordered, disciplined, military nation where unemployment has been conquered and social services are being developed. Those of England select demonstrations by the unemployed, crowds mobbing a film star and a thousand other trivialities calculated gently to insinuate the myth of a decadent England, powerless to aid the weak against the strong in their hour of peril.

Hand in hand with this supply of tendentious news go efforts to bring direct pressure to bear upon the Press of foreign countries. One obvious method is expulsion from Germany of foreign correspondents who tell too much. Sixteen members of the Foreign Press Association have been expelled from Germany by Goebbels. No newspaper can afford constantly to replace highly skilled and highly trained men.

But correspondents can be influenced in more delicate ways. They can be cut off by official quarters from the supply of news that is then given to more docile rivals with whom they are in keen competition at home.

Outside Germany, various means of pressure are used. The most potent in every country except England, where the newspapers are few but wealthy, is the direct expenditure of money. Sometimes this will go straight to the proprietor. More often than not all the German advertising is placed through a central agency that disposes in addition of a Government subsidy. Valuable advertising space is booked only in those newspapers whose political views suit Germany. At times of crisis a stream of money will flow thus from German coffers. When things are quiet it is perhaps just a trickle sufficient to keep open the channels of pressure. M. de Kerillis, one of the best Parisian journalists, has alleged that the campaign in the French Press against Czechoslovakia and in favour of a policy of surrender—a campaign which began with remarkable suddenness in April last year—cost Germany twice what Italy spent on the French Press during the Abyssinian war.

In England, Germany tries to stifle the Press by kindness. A pro-German newspaper can reap its journalistic reward in the shape of an important interview with Hitler. At one time journalists of influence dealing specially with foreign affairs used to be offered an almost embarrassing amount of hospitality (always of the best and always delightful) from German officials. The preparation of the week-end surprises used invariably to be heralded

by a spurt in the rate of hospitality. Lunches with minor officials would become lunches with major officials. Lunches once a fortnight would become lunches once a week. Just before the occupation of the Rhineland (perhaps the most daring of all Hitler's coups) there was a veritable orgy of German hospitality. And well did it repay the expense and trouble. Even in newspapers well to the Left there was a notable insistence upon Germany's moral right to fortify her own territory. The immense issue involved—that of the eventual domination of Europe not by Germany, but by gangster Nazi Germany—was lost sight of.

In small countries a more direct pressure can be put upon the Press. Anti-German writings may even be made the occasion for an official protest, even as far west as Denmark. Last autumn, for example, the German Minister at Copenhagen called at the Danish Foreign Office and intimated that Danish exports of cattle to Germany might not find so ready a market if a certain Danish journalist continued his investigations into the activities of the Nazis in Denmark. That journalist eventually lost his post as foreign editor of a leading Copenhagen newspaper. Another instance of German pressure in Denmark is this: A Copenhagen bookseller displayed in his window a copy of Conrad Heiden's biography of Hitler. An official of the German Legation called and asked that it should be removed from the shop-window. The bookseller refused. Eventually he was informed by the German Consulate that there were certain difficulties in the way of his obtaining his usual supplies of German books.

In Spain it is possible to look at German propaganda from another angle—that of documents discovered in the hastily evacuated German Consulate in Barcelona. They have been published with many facsimile illustrations and never discredited. They show clearly that Germany does not scruple to weave her web of interference in the internal affairs of another country behind the cloak of diplomatic privilege.

Germans living abroad are organised by the Party to be good German citizens with a duty to the State. By this means they are developed into carriers of propaganda. They come under the wing of the Foreign Organisation of the Nazi party, with headquarters at Hamburg, under the youthful Bradford-born Herr Wilhelm Bohle. Since January 1937 Herr Bohle has enjoyed the rank of an Under-Secretary of State at the Foreign Office. He is therefore entitled to diplomatic privileges when he travels abroad. His is the all-embracing organisation, whose object, in the words of the *Voelkische Beobachter*, is to "transplant to all foreign countries the objectives of the National-Socialist Reich". In some countries a useful function of these highly organised Germans abroad is directing and generally assisting revolutionary movements. It is impossible not to admire the skill with which this is done. The old theory that the only expansion Germany understands is that of the conqueror's iron heel should be discarded. It is a moot point whether Germany, as she expands eastwards, will, by brutal, heavy-handed methods, automatically raise forces against herself to put a limit to her advance. Germany, it

is true, has not flinched from the most ruthless methods in assimilating Austria and the Sudetenland. But if the subtle methods by which she controls the revolutionary movements in Hungary and Rumania are any guide, then this theory of the heavy Nazi hand upon her vassal (but not subject) States may prove to be a delusion in time of peace, however unpopular Germany may be.

The Hungarian Nazi movement, for instance, is on the surface a spontaneous expression of discontent with existing methods of government. Its leaders are violently Nationalist in their sentiments. They call themselves Hungarists, not Nazis; just as the Rumanian Nazis are the Iron Guard. Their slogans are more work, higher pay, out with the Jews and break up the big estates—every cry, in fact, calculated to serve as a focus of discontent. Suggestions that their aims may be tainted by German influence are indignantly repudiated. On the surface this claim appears justified. But a closer investigation cannot fail to convince the observer that behind everything, unseen and often unfelt, is the hand of Germany.

The Hungarian Nazis never seem to be at a loss for funds. At elections it is the Nazi propaganda that is often the most in evidence. In the summer of 1938 a well-known Budapest newspaper, the *Magyarsag*, was acquired by the Nazis. Yet for years that newspaper (like most newspapers in Hungary) had been run at a loss and only kept alive by a subsidy from the legitimist movement. The bulk of this Hungarian Nazi money undoubtedly comes from Germany. But the channel of distribu-

tion is always indirect. There appears to be no central coffer of German marks in the keeping of the movement's leaders. The German methods are more subtle. When money is required for a special purpose, it is "borrowed" from a German agent. Sometimes unscrupulous Hungarian business men, even Jews, will pay contributions directly into the Nazi party chest, in the knowledge that when this comes to German ears they will be able to obtain preferential treatment in their trade with the Reich. Moreover, the technique of foreign Nazi leaders, like Szalasi in Hungary, is closely modelled on that of Hitler. Szalasi, who is incidentally an Armenian, adopts the same pose of fanatical mysticism. "Ours is a movement of love against the Communist movement of hate," he will declare with devout earnestness. His writings and speeches reproduce all the sonorous catchwords of *Mein Kampf*, and they appeal rather to the Teutonic gravity of the Swabian than to the excitability of the Magyar. The backbone of Szalasi's movement is the German Swabian minority, now so highly Magyarised, both in tongue and often in name, that to the casual visitor the Swabians are scarcely distinguishable as a minority. With the Jews they form the business middle-class of Hungary. But they have been less successful than their Semitic competitors, and are jealous of the plums that have fallen to the initiative and enterprise of the latter. Germany is not over-anxious that these revolutionary movements should attain power. Her primary object is to use them as an additional means of pressure on the Government of the day.

The Nazi Movement in Hungary is sufficiently

serious for it to be the major concern of the Government. The Government fears that if Germany were to double the money she is giving and send in arms, then the movement might get completely beyond their control. It is this ever-present fear of the consequences of giving *serious* offence to Germany that helps to keep small European States like Hungary aligned with Germany *on the broad issues*. To oppose Germany on a major point of principle would be to risk an outbreak of Nazi activity, such as was organised in Rumania when King Carol was in London last autumn. Such pressure cannot be resisted by half measures. King Carol deemed it necessary to kill as many as thirty Iron Guard leaders. So great a price, involving, as it may, serious provocation of German wrath, is not one that every small country is prepared to pay for what may prove to be only a temporary respite.

What is happening in Hungary is happening in varying degree all over the world. The list of countries where police action has been taken against revolutionary activities in which Germans have been implicated is endless—Bulgaria, Switzerland, Denmark, Brazil and the United States at once come to mind. National Socialism is no longer *kein exportartikel*. It is as much international and as much revolutionary as Bolshevism. But, unlike Bolshevism, it is not an end in itself. Hitler's aim is not to see big Nazi Germany surrounded by other baby Nazi nations. It is by means of these revolutionary movements to weaken the potential enemy and draw the horns of opposition to extension of German influence, both by territory and by trade.

3. BLACKMAIL OR WAR

A diplomacy so elaborate becomes an even greater menace to the peace of the world when the master-diplomat is the dictator of 80 million people and has in his own hands the issues of peace or war. Hohenzollern Germany was always sensitive to the restraining influence of public opinion as expressed in a free Press and a free Parliament. But in present-day Nazi Germany all brakes on the war-machine have been removed. Hitler is the Commander-in-Chief of a nation-wide party whose members are trained to blind obedience and imbued from their earliest years with slogans of self-glorification, of sacrifice for the Fatherland and of hatred for the enemy—slogans that serve only to mask the immediate aims of the leaders. He need consult no one except his immediate lieutenants. And in backing his diplomacy by force he can stake the lives of 80 million people on an issue for which the nation, if freely consulted and freely informed, might never choose to fight. He can gamble with the lives of his own people without consulting them. Dr. Goebbels admitted this gamble in an extraordinarily frank speech made on October 11th, when he said:—

“The nation realises that, even if the Fuehrer and his advisers pursue a risky policy, they do so not as gamblers who look upon politics as a national pastime, but for the benefit and for the future of the German nation. The only people who had bad nerves during these weeks were certain intellectuals who thought they knew too much. *Nobody can ever win a lottery if he does not buy a ticket.*”

On November 19 Goebbels amplified this theme :—

“ On May 28 the Fuehrer decided to solve the Sudeten-German problem in this year, and in conference he fixed the day on which it should be solved. He made his preparations accordingly. The first condition to be fulfilled was the reinforcement of the Western Frontier, for we did not want to be continually menaced by the Western Powers while solving the Sudeten problem. This day came when the world was faced with the alternative of solving the problem peacefully or looking on how the Reich solved it by force. We were determined to do so. No doubt must be left that Germany, once more armed to the teeth, was determined to defend its rights, if necessary by force. Socialists threaten war. *By threatening war, we avoided war.* The nation was prepared to draw the sword for the liberation of three and a half million Germans, and in the decisive hour the world shrank back. . . . The armed forces, the cannons, enabled us to solve problems without firing a shot which could never have been solved without an armed force.”

Mr. Chamberlain, for his part, felt compelled not to lead the British Commonwealth into war unless it was on an issue on which all Englishmen throughout the Empire would feel united in fighting. He did not believe—and his reasons are very understandable—that Czechoslovakia was such an issue. But Hitler had no such compunction. He had won his way to power by force, and he maintains himself in power by force. He had known poverty and prison. Chamberlain had known poverty and prison only in others. Hitler knows that Germany would *have* to march at his command. Chamberlain knows that

Parliament alone can decide war; and that even though the House of Commons would probably do what its leader asked of it, the choice in the Dominions is free, and the decision there would be governed by what the peoples thought in their own hearts.

As far back as 1906 Sir Eyre Crowe was writing about the German method of facing other nations with the alternative of surrender to blackmail or war:—

“ If, merely by way of analogy and illustration ” (he writes) “ a comparison not intended to be literally exact or disrespectful be permitted, the action of Germany towards this country since 1890 might be likened not inappropriately to that of a professional blackmailer, whose extortions are wrung from his victims by the threat of some vague and dreadful consequences in case of a refusal. To give way to the blackmailer’s menaces enriches him, but it has long been proved by uniform experience that, although this may secure for the victim temporary peace, it is certain to lead to renewed molestation and higher demands after ever-shortening periods of amicable forbearance. The blackmailer’s trade is generally ruined by the first resolute stand made against his exactions and the determination rather to face all risks of a possibly disagreeable situation than to continue in the path of endless concessions. But, failing such determination, it is more probable that the relations between the two parties will grow steadily worse.”

To-day resistance to this blackmail means readiness to face war. The dictator gambles, it is true, but he does not bluff. And he does not bluff—for one very good reason. If ever he bluffed and lost, he would

lose not merely career and position, but probably life as well. But the democratic leader who retreats merely confesses his mistake, and perhaps is applauded for his honesty. Therefore the dictator knows that even if he has over-played his hand, he will probably win if he stands firm, *because the other man has less to lose by giving way*. If his democratic opponent did not give way, then the dictator would be faced with two courses, both disastrous, but not equally disastrous: retreat with such loss of prestige at home as would mean almost certain overthrow, or a war which he might win and in which he would at least go down fighting. Being a man of adventure accustomed to taking risks, he is likely to choose war. So that, whatever the stakes, the totalitarian poker-player will, once the die is firmly cast and the bridges of retreat are down, almost certainly go on. It is this irresponsible over-playing of the hand, which is *not* bluff, that is one of the great difficulties facing Downing Street to-day. The old rules of the diplomatic game are no longer observed.

Moreover war is now a far more terrible thing even than in the terrible years of 1914–18. It is not cowardice but courage to face this fact. Issues that were certainly worth fighting for when professional armies alone did the fighting now have to be pitted against the losses that would ensue *even in the event of victory*. This is what Chamberlain means when he talks about there being “no victors in war”. He means that the price of victory may be out of all proportion to the fruits of victory. Nevertheless, saying the war is not worth winning is very nearly the same thing, in the public mind, as saying that it

does not matter losing. This is not what Chamberlain means. But by a catchword in itself containing much truth Chamberlain is unconsciously voicing a dangerously bitter defeatism.

War is more terrible to-day because air-power brings the whole civilian population into the front line. This is a great evil, not because, as Duff Cooper has remarked, a lot of people can no longer sleep safe in their beds while the army fights, but because the mothers of future generations may be killed. Spain is little guide to the extent of this danger, because the war there was, after all, on a small scale judged by modern standards. In his *The Intelligent Woman's Guide to Socialism*, Mr. Bernard Shaw has put this point well, but with customary exaggeration:—

“The closing of the fighting services is socially necessary” (he wrote in 1928), “as women are far too valuable to have their lives risked in battle as well as in child-bearing. If ninety out of every hundred young men were killed, we could recover from the loss; but if ninety out of every hundred young women were killed, there would be an end of the nation. That is why modern war, which is not confined to battle-fields, and rains high explosives and poison gas on male and female civilians indiscriminately in their peaceful homes, is so much more dangerous than war has ever been before.”

Despite the weight of the psychological factors, the dictator's blackmail would count for little if the armaments piled up by Hitlerian Germany were not, in fact, formidably aggressive. It is ultimately

these armaments and the knowledge that the men in command of Germany are sufficiently desperate to use them that make the world shrink back without striking at each new jolt given to the established order of things in Europe.

The German Air Force had at the end of 1938 a front-line strength of 3,000 planes. That its strength was not greater than this was due, not to lack of aircraft, but to the time it takes to train pilots. At that time foreign experts estimated that only 80 per cent. of the German air force personnel was capable of carrying out war-time missions. The other 20 per cent. was not yet fully trained. The total air personnel was estimated at 8,000 officers, 36,000 N.C.O.'s and 165,000 other ranks, making a total of 209,000. This compared with a British front-line strength of 1,800 planes and a personnel of about 100,000. But there is another very important factor. It is this. Experts are agreed that the "wastage" in war-time will be extremely severe—some say 100 per cent. in three months, others 100 per cent. in one month. In other words, the front-line planes of an air force may have to be completely replaced during the first two months of war. This means that productive capacity of aircraft is a matter of prime importance. Last summer Germany was producing 600 aeroplanes a month against the British 300. During the crisis months of August and September this rate of production is believed to have been accelerated to 1,000 a month. Since then it has fallen back to between 600 and 700 a month. Germany has thus not only strong reserves of military aircraft—last September she probably had two aeroplanes in reserve for every

one in the front line, and by January 1939 the ratio must be something like three to one—but also a productive capacity exceeding that of Britain and France together. At the time of the September crisis France was certainly producing less than 100 aeroplanes a month. Even by the spring of 1939 her production will scarcely be 200 a month. The British production by this date is expected to be in the neighbourhood of 500 a month.

This gives Germany enormous striking power in the air during the first few months of war. But if the war were prolonged, time would be on the side of the Allies, who would receive ever increasing reinforcements from factories in Canada, Australia and probably the United States—factories beyond the range of bombers. Whereas the German production might be seriously dislocated if certain key factories were destroyed from the air.

On land Germany has a decisive military preponderance, as will be seen from the following figures :—

	<i>Size of Army</i>	
	<i>Peace-time</i>	<i>Mobilisation</i>
<i>Germany</i>	54 divisions	100 divisions
<i>France</i>	30 divisions	60 divisions
<i>Italy</i>	20 divisions	40 divisions

Germany is to-day a nation of over 80 millions; France a nation of under 42 millions. This fact alone is sufficient to account for the German military preponderance. The fifty-four German divisions comprise close on a million men under arms in peace-time. Of these eighteen Army Corps, three—numbers 14, 15 and 16—are composed of motorised

mechanised divisions, nine in all. Three of these mechanised divisions have been formed only since the Munich Agreement. Most of them are stationed in the east of Germany, for with their 2,000 tanks they would form the spear-head of an attack to the east. Such weaknesses as there are in the German Army are due to the rapidity with which it has been formed since conscription was first introduced four years ago. There is a shortage of officers of the rank of captain and major. The gap is filled by men who are either too old or too young. And in heavy guns and heavy tanks the German Army is probably numerically inferior to the French. France has reserves of colonial troops to draw on, but if Spain were even friendly to her enemies, so that Italian submarines could use the Balearic Islands as a base, the time-table of reinforcement from Morocco and Algeria would be gravely upset. The direct route from Oran or Algiers across the Mediterranean to Toulon might have to be abandoned and the longer route via the Atlantic, by which troops would be transported from Rabat or Casablanca to Brest, would be used. Here again ships would have to be convoyed if German submarines were using as their bases the harbours of Spanish Morocco and the Canary Islands.

And on sea? The German Navy is limited to 35 per cent. of the British tonnage in every category with the exception of submarines, where they are building up to the British tonnage. The primary object of this navy is certainly to dominate the Baltic Sea. It is clear from the active German fortification of the islands of Heligoland and Sylt,

not to mention the activity in the Aland Islands, that Germany intends, in the event of war, to be sure of drawing supplies of food and raw materials from Scandinavia and Denmark.

As in the Great War, Germany would try to menace Allied shipping with her submarines, of which she has seventy-one. With the 45,000 tons building capacity available to her now that she has decided to build up to the total British submarine tonnage, Germany might well have a force of 100 submarines in less than twelve months time. These submarines, although mostly of short cruising range, would be a serious menace to British shipping if operating from Spanish ports, even though modern methods of submarine detection are greatly improved. And if Britain had to face a war with Germany, Italy and Japan, submarines might do a lot of damage, as may be gathered from these figures given by Mr. Hector Bywater :—

“ On the outbreak of war in 1914 we had 357 destroyers and torpedo boats built and building, while the enemy powers possessed less than forty submarines ready for use. To-day we have 178 destroyers ready for use, of which many are obsolete, while Germany, Italy and Japan together possess 264 submarines, a total which does not include the extra 45,000 tons which Germany may soon be building.”
(Daily Telegraph, January 2, 1939.)

There are, of course, serious weaknesses in the German armour. Germany will enter the next war not perhaps, as is sometimes said, with a shortage of food and raw materials equivalent to-day to that

of 1916, but nevertheless able to produce only 80 per cent. of her own food requirements, less than half of her iron-ore requirements (in 1914 she had the deposits of Alsace-Lorraine and in the early days of the war those of the Belgian district of Longwy-Briey), and less than 40 per cent. of her oil requirements. To make good these defects by compelling Sweden to sell her iron ore, Rumania oil, and Hungary or Denmark food, might be possible. But this very effort of compulsion would be a drain on her military resources. Even more serious might be growing opposition to National Socialism at home. Herr Fritz Sternberg, in his book *Germany and a Lightning War*, quotes Himmler as saying: "If ever we have to stand the test, Germany's fate will be decided on the Home Front." And Himmler's method of dealing with the Home Front is this: "In the event of war we must realise quite clearly that we shall have to place a very considerable number of uncertain elements into concentration camps unless we are prepared to let them become sources of infection which might later lead to very unpleasant developments." Herr Sternberg discusses the latent opposition to National Socialism from the working classes with their sixty-hour working week and with real wages falling under boom conditions, from the farmers groaning under the irksome restraints of official control of all agricultural production, and from devout Protestants and Catholics alike. He concludes:—

"A totalitarian war would essentially alter the whole situation. The masses who have now withdrawn into private life to escape the attentions of the Gestapo

will then be dragged out of their isolation willy-nilly. They will be soldiers, and as soldiers they will face death at the front. To-day active opposition is threatened with death, and the illegal worker feels that he is working for a future he will very likely never experience. In the event of war, however, whilst the penalty for opposition will be death (the National Socialists will carry out mass executions at the least sign of resistance), every man will face death in any case if he is at the front. In other words, the masses who are now secretly in opposition to National Socialism will no longer be able to avoid danger by flight in the next war. They will be threatened by death on two sides."

The possibility of a long-drawn-out war has clearly to be pitted by the democracies against yielding on matters which are *not* their vital interests and to defend which they might have to declare war on one or other of the aggressor Powers. If Germany had marched into Czechoslovakia last September without waiting to reach an international agreement, it is England and France who would in plain fact (whatever the rights and wrongs of the case) have had to declare war on Germany and launch the world conflagration. In a new world war Britain and France, the satisfied Powers, have everything to lose, nothing to gain. On the other hand, although each separate issue may not be worth risking the world war, the sum total of the concessions made may be a very serious loss of power. As Mr. Arnold Toynbee has written¹:

"The Triangle Powers probably reckoned in private

¹ *Survey of International Affairs*, 1937, p. 49.

that a free hand in No Man's Land was the key to world power. If Japan could succeed in making herself mistress of the resources of China without intervention on the part of the United States and the British Empire, or if Germany could succeed in making herself mistress of Central and Eastern Europe without intervention on the part of Great Britain and France, the successful aggressor might hope, by this means, to build up his strength to a calibre so greatly superior to that of his former peers that, in the last chapter of the story, he would be able to dictate his terms to them too, under conditions in which war would no longer be likely because the odds would be overwhelmingly in the aggressor Power's favour."

But Mr. Toynbee adds: "In these long and delicate calculations there were, of course, many possibilities of error." It is on these possibilities of error (China and Republican Spain are both resisting and weakening the aggressor Powers) that the safety of the British Empire is, in the last resort, staked under the present policy of appeasement.

Another and more important imponderable is the possibility that the totalitarian system will tire of incessant war-mongering, and either grow more liberal or break up from within. It is probably true of Germany that if Hitler were either to die or become insane, civil strife would result, in which case either Bolshevism or the decent Conservative forces now so sadly lacking in influence would triumph. In either case the threat to the security of the British Empire would greatly diminish. As it is, the present shortage of workers in Germany is probably against the interests of National Socialism. The worker who

knows that his services are very much in demand tends to acquire an increasing sense of individual importance, which is bound to tell against an authoritarian régime in which individuality has no place except within the hierarchy of the ruling party. In the end a great general strike might well break National Socialism.

Meanwhile Britain is certainly threatened as long as an aggressive Germany is daily growing in strength, with both military and economic resources. Hitler has written : *Deutschland wird entweder Weltmacht oder überhaupt nicht sein* ("Germany will either become a World Power or nothing"). Perhaps this is just bombast. But that is a question Britain does not need to decide. Against what is *possible* Britain must prepare. Foreign policy should always be based on the pessimistic view. The worst of the dangers ahead may never materialise just because precautions have been taken to meet them. There can be few people to-day who would entirely exclude the possibility that Germany, once firmly established as master of Europe, will wish to proceed with her allies to attack the British Empire—once described by Lord Lloyd as "the biggest mass of unprotected plunder the world has ever seen". Only if the booty is strongly defended will that possibility become unlikely.

CHAPTER II

THE COST OF MUNICH

By S. GRANT DUFF

1. VERSAILLES AND MUNICH

POLITICALLY, strategically and morally, the Munich Agreement of 1938 tore up the Treaty of Versailles of 1919 and turned the clock back to 1914. The bid which Germany made in 1914 to be master of Europe was restated in September 1938.

Twenty years after the war Germany realised, with small cost to herself, the first and most important stage towards that mastery which was defeated in October and November 1918 by the internal collapse of the Austro-Hungarian Monarchy, the tearing up of the Treaty of Brest-Litovsk and the defeat of Germany on the Western Front. By September 1938 the most important districts of Austria-Hungary were united in one Empire with Germany. The Czechs were again reduced to a subordinate position. The work of creating a new "independent" Ukrainian State had been begun by Germany in the former Czechoslovak province of Ruthenia. Germany had re-established its fortified position on the west.

The Germany of the Austro-German alliance, of the Berlin-Bagdad railway, which appeared to have been buried in the Treaty of Versailles, has been resurrected in the Germany of the Rome-Berlin axis of the Anti-Comintern Pact and of Herr Hitler. This Germany, which the Kaiser is unofficially but credibly reported to have described as "a nation of hysterics and hermits engulfed in a mob and led by

a thousand liars and fanatics ", is embodied in the Munich Agreement.

Despite the fact that the Treaty of Versailles was imposed at the end of one of the most ghastly wars in history, in an atmosphere of hatred and revenge, the conditions of the Paris Peace Conference can be said to compare not unfavourably with the conditions of Munich.

The aim of the statesmen in Paris was not to ward off an immediate danger, but to construct the groundwork of a permanent peace. They were acting not under the threat of war, but with the intention of preventing war in the future. Their intention was not to pay tribute to an existing predominance, but to establish a new and peaceful balance of power. The frontiers of practically all European States were re-drawn. These frontiers were not dictated to suit the convenience of any one country, but were settled after months of negotiation between all the Allied Governments—Governments which represented the greater part of the western world. The new frontiers were those which were thought, by the overwhelming part of Europe, to represent the interests of Europe as a whole. Frontier decisions of detail were reached only after months of expert inquiry. Arrangements for evacuation were made and time was given for adaptation to new circumstances. The economic well-being of the populations was, wherever possible, observed. The self-defence and political independence of small and exposed countries were considered to be important for the free development of Europe. The first principle behind the drawing of new frontiers

was to allow full national self-development to the small nations of Central and Eastern Europe, and protection by international treaty of those people who were separated by a frontier from the main body of their nation.

At Munich none of this was so.

The frontiers were re-drawn at the dictation and to suit the convenience of one State, and one State only. No regard was had either for the wider interests of Europe as a whole or for the Czechoslovak nation in particular. The unchanging interest of Europe—that one State should not be allowed to gain a position of overwhelming preponderance from which it could dominate others—was frankly ignored. No attention was paid to the conditions necessary for the national freedom of the Czechs. The view of the Versailles Peace Conference that the unity of Bohemia was essential, and that the Sudeten mountains formed the only frontier behind which the Czechs could protect their national independence, was not so much considered to be erroneous by the politicians at Munich—the freedom of a whole nation was regarded as of less importance than the ambition of the Third Reich to expand. Neither the political, economic nor military future of the mutilated Czechoslovak State was even so much as considered.

Even the Sudeten Germans themselves were not consulted. No vote was ever held for or against union with Germany. Lord Runciman himself reported that it was the extremists who desired this union—and Nazi Germany. In 1918 the German Government requested the Sudeten Germans not to

ask for union with Germany. After the Sudeten Germans had co-operated for twenty years in the new State, it was the German Government who demanded that union without previous consultation with the Sudeten Germans themselves. Little less than three weeks before the final transfer took place, Henlein declared for the first time that he was in favour of union. But he had no mandate to do so from the people.

The frontier was redrawn by German military experts and simply submitted to the British, French and Italian delegations in Munich. These, so far from studying the details of the settlement, appear to have been unacquainted with the most rudimentary facts about the frontier division between Germany and Czechoslovakia. It was clear from subsequent statements by members of the British Cabinet that the natural and constructed defences of the Czechoslovak Republic had been surrendered to Germany without even the knowledge of where those defences lay.

At Munich, as at Versailles, those whom the frontiers most nearly concerned were shut out from the negotiations. But there was this difference. Germany was outlawed from the Paris Conference because four years of bloodshed had made personal feelings bitter and political relations tense. Czechoslovakia was shut out from the consultations at Munich because France had torn up her treaty of alliance, Britain gone back on the declaration made by the Foreign Office on September 8 that the Session of territory proposed by *The Times* "in no way represents the view of the British Government". On

September 25, the Czechoslovak Government informed the British that the Anglo-French proposals were accepted "because we understood that it was the end of the demands to be made upon us." At Munich the French and the British put new demands upon the Czechs. It was necessary to deliver these new demands in the form of an ultimatum—a *Diktat*.

Munich, according to Sir John Simon, was "correcting one of the mistakes of the Peace Treaty". The mistake of a dictated peace was repeated to the letter, and in the details even those who, like Mr. Garvin, considered the original settlement an injustice, were forced to admit that one injustice replaced another. The original impulse to rectify the grievance of the Sudeten German minority had exhausted itself in one Czech concession after another. These concessions had more than met the original claim, but they had served only to allow the Nazis to raise their demands. Every Czech concession was exacted by Britain and France, who, posing as the friends of Czechoslovakia, threatened in each instance to withdraw their support were the concession not made. Every concession was made in the expectation that this support would then be assured.

Instead there was Munich. The treatment of the Czechs at Munich recalls the treatment of the Germans at Versailles. The Czechs were the ex-allies of Britain and France, the Germans the ex-enemies. This was the only difference. The official Czech Memorandum, written by Dr. Masaryk, now head of the Czechoslovak Foreign Office and directing its new policy, portrays the final relations between the Czechs and their former allies.

"At three o'clock on September 29, 1938, we took off from Ruzyn. An hour and twenty minutes later we landed at Munich. The welcome which awaited us at the aerodrome was virtually that accorded to suspects. We were conducted in a police car, accompanied by members of the Gestapo, to the Regina Hotel, where the British Delegation was also staying. Since the conference was already in full session, it was difficult to get in touch with members of either the French or the British delegations. Nevertheless I spoke on the telephone with M. Rochat and then Mr. Gwatkin. The latter told me he wished to see me immediately at the hotel.

"At seven o'clock I had the first interview with him at my hotel. He was greatly upset and very reserved. From certain guarded statements which he made, I gathered that the broad outlines of a plan, the details of which he was yet unable to give me, had been prepared and that the plan was infinitely more disastrous than the Anglo-French proposals. I pointed out to him on our red map our absolutely vital interests. He showed a certain degree of understanding about the question of the Moravian Corridor, but he ignored all other aspects of the problem. According to him the conference should end at the latest to-morrow, Saturday. Up to date negotiations had been exclusively concerned with Czechoslovakia. I drew his attention to the consequences which such a plan must have on the present internal situation in Czechoslovakia and on future economic and financial developments. He replied that I seemed to be unaware of the very difficult situation in which the Western Powers were placed, and that I did not understand how delicate it was to negotiate with Hitler. On which Mr. Gwatkin returned to the conference promising us that we should be summoned at the first interval.

"At about ten o'clock Mr. Gwatkin showed M. Mastny and myself into Sir Horace Wilson's room. There the latter, in the presence of Mr. Gwatkin, and at the express wish of Mr. Chamberlain, acquainted us with the main outlines of the plan, and handed to us a map on which were marked the districts which were to be occupied immediately. As a result of my comments, he twice declared emphatically that he could add nothing to the explanations he had already given. He paid absolutely no attention to what we said about certain districts which were important to us. We both explained again to him in detail the vital necessity of making certain corrections in the plan. The most significant of his replies was that given to M. Mastny, indicating that the British Delegation approved of the plan. When he started again to talk about the difficulties of negotiating with Hitler, I told him that everything depended on the firmness of the two great Western Powers. To which Mr. Gwatkin replied in a very serious tone: 'If you do not accept this plan, you will have to arrange your affairs with Germany by yourselves. Perhaps the French will put it more amiably, but, believe me, they entirely agree with us. . . . They will wash their hands of it. . . .'

"At one-thirty a.m. we were again shown into the room. Assembled there were Mr. Chamberlain, M. Daladier, Sir Horace Wilson, M. Leger, Mr. Gwatkin, M. Mastny and myself. The atmosphere was oppressive; the verdict was about to be passed. The French, visibly embarrassed, appeared to be aware of the consequences for French prestige. In a short introductory speech, Mr. Chamberlain spoke of the agreement which had just been reached, and then handed to M. Mastny the text of the agreement in order that he should read it aloud. During the reading of

the text, we asked for elucidation of several passages. Thus, for instance, I asked M. Leger and Sir Horace Wilson to give us an explanation of the words 'preponderantly German' in Article 4. M. Leger, without mentioning any percentage, observed that it referred to majorities calculated according to proposals which we had already accepted. Mr. Chamberlain also confirmed that it referred only to the application of a plan which we had already accepted.

" When we reached Article 6, I asked M. Leger if we were to understand it as a clause guaranteeing the protection of our vital interests. M. Leger answered in the affirmative, but added that it was feasible only to a very moderate degree, and that the question would come within the competence of the International Commission. M. Mastny asked Mr. Chamberlain if the Czechoslovak member of the Commission would have the same voting rights as the other members of the Commission. Mr. Chamberlain answered affirmatively. To the question whether there would be international troops or British soldiers in the plebiscite areas, we were told that this question had not yet been settled, but that the participation of Belgian and Italian soldiers was also contemplated.

" While M. Mastny discussed details of perhaps secondary importance with Mr. Chamberlain, Mr. Chamberlain yawned unceasingly without the slightest trace of embarrassment. I asked MM. Daladier and Leger whether they expected a declaration from our Government or an answer to the agreement just submitted. M. Daladier, obviously embarrassed, did not reply. M. Leger, however, replied by remarking that the four statesmen had very little time at their disposal. He purposely added that they expected no reply from us, that they looked upon

the plan as already accepted, and that our Government would have to send a representative to the conference of the International Commission in Berlin that very day not later than 5 p.m. In other words, the representative we were to choose was destined to arrive in Berlin on Saturday to settle details for the evacuation of the First Zone without delay. The atmosphere became intolerable for everyone present.

"We had been given a sufficiently brutal explanation of our sentence, and by a Frenchman at that, with no hope of appeal nor possibility of moderation. Mr. Chamberlain made no attempt to hide his fatigue. After the reading of the text, they gave us a second map slightly altered. We then left. The Republic of Czechoslovakia within the 1918 frontiers had ceased to exist. In the hall I had a conversation with M. Rochat, who asked me about the possible repercussions in my country. I replied curtly that I did not exclude the worst, and that it was necessary to be prepared for the gravest eventualities.

"Munich, September 30, 1938, 4 a.m."

2. THE MUNICH TERMS

It would be wrong to consider the Munich meeting a conference in the ordinary sense of the word. Herr Hitler has rightly, though rather crudely, assessed the Munich meeting in his subsequent remark of October 5: "Our method of solving our problems by helping ourselves is far manlier than peddling from conference to conference." But it was not Herr Hitler who peddled from Berchtesgaden to Godesberg and Godesberg to Munich.

" I clearly stated to Mr. Chamberlain what we would now see as the sole possible solution. . . . I am grateful to Mr. Chamberlain, but my patience is at end " (Hitler, September 26, 1938). On September 30 the Munich Agreement was signed.

Nor was this the end. The Munich Agreement must be judged by the terms of the Berlin International Commission which were its inevitable conclusion. By the Munich Agreement, the Czechs were forced to abandon their most important fortifications before the final conditions imposed by the Berlin Commission were known. At the same time no demobilisation took place on the German side. Ten German Army Corps, consisting of thirty divisions, entered into the Czech fortifications, in which, by the terms of Munich, all " installations "—all artillery therefore—were to have been left intact.

With the German Army in a position to dictate its own terms with no fear of military resistance, it is not surprising that the International Commission, on which the British, French and Czechs formed nominally a majority, was no more than a formal body for registering the decisions of the German military sub-commission. The evacuation of the Czech defences put not only the Czechs, but the British and French, in a position of immediate inferiority to the Germans.

The Czechs, to whom every man and every acre was of vital importance, were made to surrender not only railway junctions, power-stations, factories and fortifications essential to their independence, but were forced to stand by while nearly a million Czechs, living in purely Czech districts, were annexed

by Germany for strategic reasons. The indifference of Britain and France to the details of the new Czech-German frontier did not hide their impotence to resist the territorial and military advance of Germany. Europe's first practical experience of Four-Power politics witnessed the complete eclipse of Anglo-French influence and the subordination of the two Western Powers to the will of the Rome-Berlin axis. Faced with a situation in which Germany could equally impose its terms with or without the consent of Britain and France, the British and French Ambassadors chose to give their consent to the full German demands. It was left to Signor Attolico, the Italian representative, occasionally to protest. Finally even the pretence of Anglo-French participation in the decisions of the Four Powers was abandoned, and Italy and Germany settled between themselves the frontiers they considered convenient between Slovakia and Hungary.

The new frontiers of the Czechoslovak State in relation to Germany, Poland and Hungary completely broke its power of self-defence, crippled its economic life and destroyed its internal political equilibrium. Czechoslovak independence in the political or economic sphere depends now entirely on the goodwill of Germany; any sign of effective resistance to the further expansion of Germany in Eastern Europe will immediately be punished by the loss of that independence. Only a Czechoslovak Government which possesses the goodwill of the Nazis can even hope to protect the interests of Czechoslovakia. Such a Prime Minister was looked for in Beran, the chairman of the Agrarian Party, a lifelong oppo-

ent of Benes. Immediately after his appointment, Beran declared :—

“We are fitting ourselves into an international world which, since Munich, is dominated by force which it would be madness not to recognise.”

But even this was insufficient for the Nazis. Within six months of Munich, the Nazis were secretly plotting with the Fascist leader, General Gajda, for the violent overthrow of the legal Czech Government, which was still trying to protect the semblance of democratic rights in the purely Czech districts.

Czechoslovakia has lost the natural frontiers of Bohemia which had existed unchanged for close on a thousand years. To-day the Sudeten-German mountains behind which she sheltered are in the hands of Germany, and the strongest military Power on the Continent looks down on a Czechoslovak State whose natural and whose constructed defences are occupied by the German army.

The Czech fortifications were handed over to Germany at Munich. The German frontier advances to within firing distance of the Czech capital, Prague, the Slovak capital, Bratislava, and the two chief munition centres at Pilsen and Brünn. The electricity supply of Prague and the water supply of Brünn are in Germany. The Škoda works at Pilsen are within two miles of the German frontier. Brünn and Bratislava are cut off from Prague by intersections of German territory. Germany surrounds Bohemia and Moravia not only on three sides, but on four. The German Government has extorted from the Czechs permission to build an extra-

territorial motor road across Czechoslovakia from Breslau to Vienna. A German corridor will thus be built 40 miles long and 60 yards wide. Communications between Czechoslovak territory lying to the west and east of the road will be either by means of tunnels and bridges or by permission of the German frontier police. An agreement has been signed giving passage to the transit of German troops from Saxony to Austria. The Czechoslovak Republic is pinned down on all sides by Germany.

Its internal coherence is shattered. It is shattered physically by the deliberate frontier line which cuts the two main railway systems of Czechoslovakia over and over again, and gives Germany in the west and Hungary in the east a stranglehold over all Czechoslovak economic and political communications, not only with the world, but with her own provinces.

It is shattered politically by the incitement of Slovaks against Czechs, Ruthenians against Slovaks, deliberately fostered and paid for by Germany. To-day it is no longer the Czechs who must be dominated if German aims are to be accomplished in Central and Eastern Europe. The new pan-Germanism of the Nazis has already extended beyond Prague, and the Czechs are left as a surreptitiously rebellious but wholly helpless and isolated island in the backwash of the Nazi drive to the east. Such stupendous internal problems face the Czechs if they are to reconstruct the basis of their State that any intention they might have of subversive action against German expansion is paralysed. It is sufficient for the Nazis to have Beran as Prime

Minister and to see introduced into the Republic of Masaryk the Nuremberg Laws. Should this prove insufficient, there is always the threat of the *Totale Lösung*. (Kundt interview, *Nat. Zeit.*, December 30, 1938)—that of the occupation of the remaining districts of Bohemia and Moravia.

It is no longer the Czechs, but the Slovaks and the Ukrainians (Ruthenians), who are the important instruments of Nazi policy. Slovakia has become a Nazi colony. A régime of terror and corruption, which justifies in retrospect the refusal of previous Czechoslovak Governments to grant autonomy to Slovakia, has been let loose over the country. Anti-Czech, anti-Jewish, anti-Liberal excesses have been deliberately excited to a pitch inconceivable in the first Czechoslovak Republic. The separatist tendencies of Slovak extremists are being deliberately encouraged by the Nazis in order to blackmail the Prague Government into total submission to German demands. The Czechs are assailed not only from the Sudeten Mountains, but also from the Slovak rear. Slovakia and Ruthenia are important to the Nazi advance. A German military mission has been sent to Ruthenia ; German "geologists" tour the district, deep in snow. Ukrainian irredentism is being incited from Ruthenia against both the Poles and the Russians. Czechoslovakia, which was once the ally of the Western democracies, has become the jumping-off ground for the new designs of the Third Reich.

Czechoslovakia and the Sudeten and Czech areas ceded to Germany bring powerful resources to the fulfilment of those designs. An army of forty

divisions has been lost by the Allies and perhaps gained by Germany. Should the new Czechoslovakia be able to maintain its neutrality, the German Army, even in peace-time, is swelled by 50,000 Sudeten German recruits from the ceded areas. The German interior lines are enormously shortened. The strategic position of Germany has been reversed from one of the most dangerous to one of the strongest in Europe.

The war potential of Germany—a problem confronting every nation engaged in modern warfare—has been enormously increased. In the ceded areas, Germany now owns and controls at Aussig what was formerly the most important chemical works of Czechoslovakia, as well as a large supply of vitally important raw materials. The following message from Berlin appeared in the *Daily Telegraph* of January 6, 1939. The facts are quoted from the annual report of the *Reichs-Kredit-Gesellschaft*.

"The annexation of the Sudetenland has brought a remarkable increase in Germany's potential war resources. Among the mineral substances of special importance for military purposes which this territory can provide are: antimony, which is required for shrapnel bullets; lead; iron; manganese, which is needed for the manufacture of extra hard steels; copper; nickel; tungsten, which is used for 'high speed' tool steels; tin and zinc.

"None of these minerals has yet been produced in very large quantities in the Sudeten areas. It is stated, however, that there are possibilities of extensive development. Apart from these resources, Germany as a result of the incorporation of the Sudetenland

now has at her disposal ninety per cent. of the world production of lignite. She has obtained important supplies of china clay and graphite, and has become the second largest radium producer in the world by acquiring the uranium pitchblende of St. Joachimsthal which yielded 5,019 milligrammes in 1936."

This does not exhaust the strengthening of Germany's war potential. The main bulk of Czechoslovakia's immense armament works were not in the ceded areas, but continue production in what is left of the Czechoslovak Republic. The Czechoslovak Army, as German officials apparently find it necessary to point out, will no longer need these armaments. The same cannot be said for Germany. Germany has very scant backing in war potential from her partner in the axis. The capacity of the Czech war industries was three times the size of Italy's. In 1937 the Czech output of ore was 90 per cent. greater than the Italian. Czech output of steel was also much higher. Czechoslovakia, one of the six most highly industrialised States of Europe (excluding Russia), produced more iron and steel than all the rest of the eleven States of Eastern Europe combined.

At the beginning of December 1938 the Czechs were still able to deny the truth of a report which said that a Czech firm had cancelled the shipment of gas-masks to Britain and France on orders from Berlin. By the end of December the French had already been bought out of the Škoda works, and their share is now officially in the hands of a purely Czech company. The two main Czech armaments works at Škoda and

Zbrojovka have been "denationalised" and are now in private hands. The Czechs maintain that Škoda is changing over production to agricultural machinery, but if the Škoda works are beating swords into ploughshares, it is not because peace has come to Europe. It is more probable that Germany finds it a waste of her heavy industries to devote attention to agriculture. The main Czech iron and steel works are booked up for two years with orders from Germany. Cement from the Czech works at Königshof was supplied to Germany in December 1938 in extraordinary quantities. It was not for nothing that the secrets of the Czech line of fortifications have been handed over intact.

If the significance of the Munich Agreement had been confined even to the destruction of Czechoslovakia as an independent Power and military ally, the dangers inherent in the settlement might have been compensated by the time gained for rearment in Britain and France. But Czechoslovakia stood for more than this. It stood not only for a form of government but for an attitude of mind, rapidly losing ground in Europe, and on which depends British and French influence in the world. If this attitude of mind is finally destroyed, the destruction of the material aspects of British supremacy will not be far behind. Czechoslovakia was the last civilised democracy in Eastern Europe. Those who listened to or read the declarations of the Czechoslovak and German Governments during the crisis of 1938 were invariably struck by the tolerant, calm and dignified tone of the Czechs, the violent, cruel and blustering ill-breeding of the Nazis. The Nazis won.

The Czechoslovak Republic, with its traditions of liberalism and toleration, taught by the greatest philosopher-statesman of our time, Thomas Masaryk, became after the war, and above all after 1933, when dictatorships displaced parliamentary governments over the greater part of Central and Eastern Europe, a symbol of personal and national freedom. It was no mere coincidence that in all the dictatorial countries of Central Europe—as for instance Poland, Yugoslavia and, in a measure, Germany itself—close co-operation with Czechoslovakia was the first item in the foreign policies of the opposition parties. That which Lord Runciman saw as “a centre of intense political friction in Central Europe” was nothing more nor less than the centre on which all the hopes of greater freedom and greater progress were placed by those who struggled to keep alive in their own countries the elements of liberal Government and personal freedom. Lord Runciman’s advice was that “legal measures should be taken to bring such agitations to an end”. The effect of bringing “such agitations to an end” has probably been to destroy for a generation, if not for ever, that liberalism for which Lord Runciman was once proud to stand.

The destruction of the last democratic and genuinely liberal régime east of the Rhine has made recourse to violent measures the only escape from tyranny. The only alternatives which Lord Runciman would apparently see left to Eastern Europe are those of ever-increasing dictatorships, more and more under Nazi rule, or the violent reversal of the existing social and political order under the protection

of Soviet Russia. The voluntary abdication of Western and democratic influence has inaugurated for Eastern and Central Europe, if not for the whole continent, a period in which Pan-Germanism and Pan-Slavism, Nazism and Communism, may soon be the only vigorous protagonists left. This is apparently the choice which Lord Runciman considered suitable for Central Europe, but he is summoning anarchy and strife which may not halt at the Channel.

The encouragement of democratic ideas, of French culture and civilisation, had been a deliberate and vitally important element in French post-war policy. "Only the liberating and democratic ideas of the West, if cultivated in Central Europe," said one of Clemenceau's advisers, "can break the crushing advance of Germanism." It was no accident, therefore, that the most signal advance of Germanism since the days of Bismarck meant the destruction, not only of France's most loyal ally, but of the last and most vigorous of the Central European democracies. Nazi Germany has destroyed, at one blow, the independence of the Czechoslovak Republic, and the citadel around which rallied all the progressive elements of Eastern Europe.

There is a vital and intimate connection between the ideas on which systems of government rest and the foreign relations which Governments seek. The collapse of liberal ideas over the whole world would mean first the isolation, and perhaps later the destruction, of a free and liberal Britain.

3. MUNICH AND THE FUTURE

Munich was not only an end, but a beginning. The question which inevitably presents itself to all those acquainted with the much-boasted "dynamism" of the Nazi régime is, To what end will this immense accession of strength be put? Never before, as in 1938, had it become so obvious that the Nazi and the Fascist régimes *must* create external diversions, *must* pursue perpetually successful aggression under the guise of national self-defence—or the strain to which they put their citizens becomes as pointless as it is unbearable. For Italy, it was Abyssinia; immediately after Abyssinia, Spain; before Spain was finished, Tunis and Jibuti. For Germany it was equality of rights; 1935, violent excitement over the Saar, rearmament on the basis of conscription; 1936, abrogation of Locarno and invasion of the Rhineland; 1937, the axis and the Anti-Comintern Pact; 1938, the attack on Austria and Czechoslovakia. The population of Germany increased from 68 millions to 80 millions. The German army was strengthened by 150,000 men, by the Skoda works, by a strategic situation which has been revolutionised in her favour. Germany is moving on to absolute command.

Where next? What new opportunity for appeasement?

This question, which is being dealt with in detail in the following chapter, will only be touched on here in theory, and in so far as further aggression is the logical outcome of the Munich Settlement.

The Munich Settlement, with its vast gift of aggressive power to Germany, can be justified as "peace" on one supposition, and one supposition only. This supposition is that Germany's foreign policy, and in particular her Eastern policy, never is and never will be dangerous to this country. Is this justified?

Herr Hitler has ably criticised the pre-war diplomacy of the Kaiser. In his view, the Kaiser's great mistake was to pursue, at one and the same time, continental, colonial and commercial ambitions. By so doing pre-war Germany inevitably provoked the simultaneous enmity of Russia, France and England. Through the ineptitude of the Kaiser, the Germany of 1914 was faced with the impossible task of carrying on war not only against Russia and France, but against England as well. The geographical position of Germany was such that the German Army was forced to fight both on the Eastern and the Western fronts, and her forces were divided. Like Bismarck, Hitler was determined to prevent this so-called "encirclement" of Germany, and like Bismarck, too, he regarded France as the hereditary enemy of Germany. In Hitler's opinion, therefore, the chief necessity was to neutralise France while he conquered Eastern Europe, or to neutralise Eastern Europe while he turned on France. If he failed to do this, he would be faced, like the Kaiser, with war on two fronts.

Only a diplomatic genius could have foreseen the steps which would lead to a peace such as Munich. Not even Hitler in his wildest moments could have envisaged France herself dictating to her Eastern allies the terms of their surrender to Germany.

Hitler, however, saw one very important factor in the situation. This was England.

Herr Hitler has realised that an Anglo-French alliance is more likely to modify than to strengthen the French position in Europe. Britain, so Hitler wrote in *Mein Kampf*, did not achieve in 1919 its continental war aims. It had broken German hegemony only to substitute French. It broke up the Central Powers only to see rise in their stead small national States under the protection of France. Resentment at French pretensions on the Continent would, he rightly considered, lead Britain to look complacently on German military resurrection. This is in fact what happened, and it is partly due to British bankers that Germany is to-day so effectively armed. Hitler saw that so long as Germany had continental ambitions only, and was making no bid to be a World Power, Britain could be relied upon to put nothing in Germany's way. In relation to Germany, the final aims of British and French policy were not identical:—

“ Thus (*i.e.*, by the war of 1914–18) the main result of the struggle against the rise to power of Germany was to install French hegemony over the continent. . . . However terrible have been and are the consequences for Germany of England's policy during the war, this must not blind us to the fact that to-day it is no longer in the interest of England to see that Germany is crushed. On the contrary, from year to year, English policy must be more and more directed to restricting the immoderate attempts of France to establish French hegemony over the continent. . . .

England's first desire is, and will remain, to prevent the overwhelming ascendancy to a world position of a single continental power. . . . The desire of France is, and will remain, to prevent the creation of a single, united German State. . . . The final aims of French diplomacy will, therefore always be in fundamental conflict with the ultimate tendency of British statesmanship." (*Mein Kampf*).

Herr Hitler, was writing, of course, in 1923, in a period when the total collapse of Germany was, as he says, more of a handicap than an advantage to an England strongly opposed to the aims of French continental policy. After the accession to power of the Hitler régime, the intensive rearmament on land, sea and in the air, the re-fortification of the Rhine-land, the annexation of Austria and of the Sudeten-land, it might perhaps be presumed that the aims of Britain and France in relation to Germany had become more or less identical. The fact that Nazi Germany, on the basis of its continental position, is already claiming world status, both in terms of European domination, colonies and in the Far East, would presumably give Britain and France an identity of aim towards Germany.

But perhaps Hitler, who has been right so far, will be right again.

After Munich the question inevitably arose whether France was still interested. By Munich, Germany achieved that continental position which, in Hitler's view, it was the chief aim of French diplomacy to prevent. It is undeniable that though the Munich Agreement was most willingly signed by France, it was engineered in the first place

by Germany and England. By that agreement, France, next to Czechoslovakia (or to bring the Thiers of 1866 up to date, "France and not Czechoslovakia"), was the chief loser. Not only did France surrender her "hegemony" in Europe, but she handed it over, ready-made, to Germany. In 1866 and 1870 continental ascendancy passed from France to Germany. In 1914–18 Germany was defeated only by a world-wide combination. In 1919 a "new world was called in to redress the balance of the old". This was the new world of small nation-states in Central and Eastern Europe. In 1938 this world was practically smashed by the breaking of its strongest member, its only fortified line—the Sudeten mountains, its links with France and the west, which alone, in the face of the rising Nazi power, gave Europe a sound balance. To-day France, having broken her alliances and lost her position in Eastern Europe, is no longer in a position to challenge the European hegemony of Germany.

France with apparent indifference—if not with positive pleasure—(how many rues du 30 septembre are there now in France?) has resigned her continental position. The age-old enmity of France and Germany has ended, not in the military defeat of France, as in 1870, but, as the Nazis proclaim, in the political abdication of the French Government. Germany has taken the place of France in Eastern Europe. The post-war continental system is at an end. France has resigned. By the Munich Agreement, Germany has achieved continental supremacy. Hitler has achieved the position, therefore, from which

he can pass from his continental to his world ambitions. His main opponent, therefore, is no longer France, but England. It may legitimately be asked, therefore, whether France, who showed such complete indifference to her own fortunes, will be more effectively interested in the subsequent feud between Britain and Germany. If England, as Munich has proved, was indifferent to the continental position of France, can France be so deeply concerned with the world position of Britain? This apprehension, false as it may prove to be, is based on the conviction that effective resistance to Germany can only be imposed on a continental basis—and that this basis is being rapidly undermined by the Munich policy. The existence of the Rome-Berlin axis, of Italian demands on France, the impossibility of a localised war between two major European powers, are, perhaps, the only certain guarantee of active French support in an Anglo-German conflict.

Germany is now in a position to demand—in the same way as the Germany of 1914 demanded it—the status not of a continental, but of a World Power. The Germany of 1914 had suffered no Versailles dictate. "*Gleichberechtigung*" (equality) to pre-war Germany did not mean German possession of Togoland, the Cameroons, German East Africa, the Polish corridor, Alsace-Lorraine and Memel. It meant equality with the British Empire, on whose dominions the sun never sets. It is the British Empire which holds all the soft places of the world, and in his speech of January 30th, 1939, Hitler demanded the redistribution of the world under the threat of war.

"One thing or the other will happen. Either property will be redistributed on the basis of force and then force will revise distribution, or distribution will be based on right and reason and then it will be impossible for a few Powers forever to possess all the colonies. The problem cannot be solved by declaring that some states have something which other states have no right to enjoy."

"Germany will be a World Power or nothing at all," Herr Hitler has said and after Munich World Power lies within Germany's reach. But World Power can be seized only at the expense of Britain and the British Empire. Britain can be challenged only by a wide combination which can attack the struggling limbs of her Empire—only, for instance, by the combination Germany—Italy—Japan. This is the real meaning of the Anti-Comintern Pact.

"The destinies of nations are only firmly welded together through expectation of common advantage, in the sense of mutual gain, a mutual expansion of territory, in short, an increase of power on both sides. An alliance whose purpose is not to make war is senseless and useless." (*Mein Kampf.*)

How could Russia pay for the Anti-Comintern Pact? She could cede the Ukraine to Germany, the Maritime Province to Japan, but what is left for Italy? Moreover, would not the cession of the Ukraine to Germany be the price of the renewal of the alliance of Rapallo? What "world status" could Russia give to Germany? The British Empire, which holds all the places in the sun, alone can provide that "mutual gain, that mutual expansion of territory—

in short that mutual increase of power " for Germany, Italy and Japan. Already in the Far East (against the advice, it must be admitted, of Germans long resident in those parts), Germany turns a tolerant eye on a Japan slowly ousting Britain from China. In the Mediterranean, Italy raises claims against France whose implementation would directly menace the British position in that area.

The threat which now hangs directly over this country, is the fruit of Munich. The idea underlying the Munich Agreement was that Britain had no vital interests in Eastern Europe : the aim was to direct German aggression against that part of the world. Mr. Chamberlain, by giving Hitler a free hand in the East, made it directly possible for Hitler to turn West. For the Munich policy is leading relentlessly on to the complete isolation of Great Britain. The Munich Settlement has opened the way to the transition from a continental to a world policy. Hitler may not yet consider himself strong enough to risk a direct attack on Britain or British vital interests. He may not yet consider Eastern Europe sufficiently " pacified " not to turn against him in the event of an Anglo-German war. Action against Poland, Czechoslovakia, Rumania or Hungary may still precede action against Britain, but that action will come because Munich has made it possible.

The Munich policy was the conscious surrender of European unity and European freedom in the hope thereby to win British immunity and imperial security. When therefore it is the world position of Great Britain which is threatened, what combination and what universal ideal will Britain be able to call

into play for her defence? When that happens, vain will have been the attempt to buy Anglo-German friendship at the price of French influence, Czech independence, Russian isolation, and the general good of Europe.

Hitler, with an " appeased " Europe at his back, with a militarist Japan dominating the Pacific, with Italy strong in the Mediterranean and in the Red Sea, will once again forward his demands to Britain. Who will then be left to be sacrificed in the name of " peace " but the British people themselves ?

CHAPTER III

THE AMBITIONS OF HITLER

By VICTOR GORDON LENNOX

*Power, like a desolating pestilence,
Pollutes what'er it touches ; and obedience,
Bane of all genius, virtue, freedom, truth,
Makes slaves of men, and of the human frame
A mechanised automaton.*

SHELLEY, " Queen Mab ".

1. HOSTILITY TO ENGLAND

WITHIN the past weeks I have been told, on the authority of one who claims to enjoy the personal friendship of Herr Hitler, that the Fuehrer, if he could rewrite *Mein Kampf* in 1939, would not change a single line, save in one important respect. He would now delete those passages which declare that German policy should be aimed at conciliating England. This statement bears the stamp of authenticity. It fits in with much one has heard from Germany during the past three months. Little more than a month had elapsed after the Munich meeting, in the last days of September, 1938, when the Fuehrer summoned to his presence a select group of Nazi newspaper-men and informed them that his policy of cultivating the friendship of England was at an end. He considered that he had been double-crossed by Mr. Chamberlain, in respect of the British attitude both towards Colonial concessions and re-armament. From thenceforth Britain was to be regarded as an enemy of Germany, and this fact should be borne in mind by writers in the German Press when they were handling any story or were preparing articles on any relevant topic.

The fruits of these instructions were not slow to become apparent. Violent campaigns were launched against numerous aspects of British life and activities. Particularly one noticed an intensification of

the campaign to undermine British prestige in Arab countries and the scurrilous attacks on British soldiery in Palestine. British statesmen who ventured to speak critically of Nazi acts and policies were singled out for attack and abuse, with the accompanying broad hint that the very fact of their inclusion in some future British Government might, in itself, be regarded by Germany as sufficient justification for launching a "preventive war" against Britain. Whereas *Mein Kampf* had explained that it was only the then "Jewish-controlled German Press" which had succeeded in concentrating hatred on England, while German interests would have been better served by co-operating with England and Italy to isolate France, the German public is now told that democracy, Bolshevism and Judaism are interchangeable terms; consequently Britain, like the United States of America, is wholly in the grip of the Jews and, as such, must be regarded as one of Germany's natural enemies. Believing, as he has himself declared, that Hate is the most powerful, and therefore the most effective, of the human passions, Hitler has now set himself, and those who carry out his orders, to cultivate a grand hatred for Britain, presenting, as she does, one of the main obstacles to realisation of his dream-aim—German world-domination.

The policy of cultivating the friendship of Britain, as it was being pursued during the first four years of the Nazi régime, with certain lapses, naturally had aims very different from those contemplated by the average Englishman and woman. The pleasant conception of good relations established on the

foundations of an old quarrel—a misunderstanding, a fight, a hearty handshake and a vow never to fight again—is utterly foreign to the outlook of Herr Hitler, as must become apparent to any intelligent person who reads his own writings or observes the outpouring of his whole gigantic propaganda machine.

His aim, we must not forget, is to raise himself to a position of unprecedented power as the directing genius of a world super-force. He has himself explained to us the methods by which this aim is to be achieved and, in the advance to his goal, all means are justified by the end. Violence, brutality, hate, mass hysteria, deception and mastery through blind obedience of the people stand out as finger-posts of his philosophy. He is the perfect pupil of Frederick the Great; thus, to despoil one's neighbour is no more than common prudence, dictated by a determination to ensure that he should be powerless to do one an injury at some future date. Justice means the acquisition by Germany of means to impose her will upon others. Within the Reich it means that he who loyally stands for the aims of the National Socialist Party must, *ipso facto*, be right, while he who opposes the Party must be wrong. In both national and international affairs this is a convenient doctrine when pursued by a party or by a State possessing overwhelming power-superiority over all who may bar the path or enjoy what we consider to be the rightful ownership of some coveted property.

The Hitler philosophy leaves no room for a policy of live-and-let-live in international affairs, save in so far as the non-German States conduct their affairs

in strict accordance with German interests. For the good Nazi there can be no such thing as benefit derived from honest competition, unless you first accept his connotation of honesty—namely, action taken in the interests of Germany. Thus an honest Nazi's desire for good relations with Britain has meant, to the Nazi mind, a desire to ensure British acquiescence in German plans for expansion in Europe, plus, if possible, an arrangement whereby the British fleet would assume responsibility for protecting Germany from any cowardly stab in the back from the west. During this period it was calculated that Germany need not squander her resources on building a mighty fleet, but could concentrate her every effort on acquiring the new corn-lands, iron-fields and oil-wells of eastern Europe which she needed, and still needs, for the self-sufficiency of the population which Herr Hitler aspires to include within a single Reich. Only when this aim had been achieved might it be possible for Germany to turn and rend from Britain those far-flung lands, and their resources, which to-day own allegiance to the British Crown.

One might be permitted to infer from statements by Herr Hitler during the Berlin visit of Viscount Halifax in November 1937, that as recently as then the Fuehrer still conceived that a period of six years would be required to complete his European tasks, before he would be ready to turn on Britain with orders that she should surrender her possessions. Now, early in 1939, one might conclude that the programme has been modified, or at least subjected to a considerable acceleration of the time-table.

Despite a scarcely reported speech by Field-Marshal Goering in January, to the effect that the colonial problem was neither urgent, nor did it lie at the root of Germany's economic difficulties, we observe preparations for a rapid intensification of the colonial demands. True, Herr Hitler has given the assurance that there is no National-Socialist who, even in his most secret thoughts, has the intention of causing the British Empire any difficulties. But the principles of the Nazi creed are held to apply equally to all problems, great and small alike, and it is implicit in the assurance that the British Empire must co-operate in the avoidance of "difficulties" by offering no resistance or obstruction to the re-ordering of the world contemplated in the Nazi conception of "right and justice".

The British Empire may well ask itself how it will be possible to satisfy these desiderata, especially since the German colonial campaign shows signs of assuming a new complexion—one which aims at taking over from the existing colonial Powers territories which they have themselves developed until they have become valuable; territories in which foreign capital has been invested; territories of unquestioned strategic value to those now holding them. When we note these tendencies, we are bound to attach some importance to the announced Nazi intention to build a fleet of German submarines equal in tonnage—perhaps greater in number—to that of the British Empire; an intimation which, judged by past experience, may mean that a part, at least, of this great under-sea fleet has already been constructed.

Pursuing this same line of thought, we are bound

to note that Colonel Beck, Polish Foreign Minister, seems now to be satisfied that German might is not to be launched against his country this year. He has even, it is reported, felt sufficiently confident to be able to receive somewhat coolly a German suggestion that Poland should be allowed to participate in the colonial re-distribution, to be brought about by the irresistible force of Nazi and Fascist demands, in return for a pledge of Polish neutrality should Germany become involved with the Western Powers. Such knowledge must heighten our belief that the mind of Berlin, in the opening months of 1939, has been directed primarily to the West. Nor can we overlook the implications of the changes at the Reichsbank, which spell the final and absolute nationalisation of the German central bank, and apparently herald yet more stupendous expenditure on all arms required to carry through the twin policy of military terrorisation and economic penetration. Before these lines appear, day-to-day developments in Germany may provide further pointers to the future. But to arrive at some estimation of what 1939 holds in store for the world in general, and for England in particular, there are certain other noteworthy manifestations of Nazi activity which give an indication of the new drift of the wind.

For some months past German pressure has been increasing on three North-Sea States—namely, on Denmark, Holland and Belgium. As yet they have not been informed what precisely is to be demanded from them, but two, at least, have important colonial possessions. Berlin contents itself with peremptory demands that no word of criticism of German

actions should be allowed to appear in the publications obtainable in those States. Correspondingly the pressure is being increased on Switzerland, whose Federal Government dare not now embark on the fortifications which might bar a German advance to the south-west, or obstruct the partition which would give Germany and Italy joint control over two famous north-south lines of communication—the Gothard and the Simplon routes. At the same time Italy is being restrained from precipitate action in the western Mediterranean, yet is being promised that in any ideological war waged against her, once it is launched and regardless of its motives, Germany will be found at her side. And while we notice these, and certain other, political phenomena, we cannot afford to discount well-authenticated reports that the German forces of all arms have been warned to be ready for action at a very early date, Air Ministry leave was cancelled as from January 1, and Air Force leave drastically restricted from February 1. German women are being recalled from abroad (presumably to release yet more men for active service) while decrees have been issued (January 21, 1939) making it compulsory for every able-bodied male between the ages of seventeen and forty-five to undertake training with Storm-Troop detachments before and after their period of conscript service, and in addition to the annual military training given them in the Army reserve.

What is the explanation of this further preparation for a new display of strength, and why has the timetable been varied in the matter of antedating the anticipated period for pressure on the West? Not-

ably, why the marked anti-British trend of German policy, despite the assurances given by Herr Hitler on January 30? In trying to answer these vital questions we are faced with the difficulty that in Germany one man, and one man alone, takes final decisions and gives determining orders. Herr Hitler may listen to what his subordinates have to say. Indeed, it is known that a hearing is given to many, whether the subject be domestic or external, economic or military. But just as he has arrogated to himself absolute powers in all questions of policy, so he does not shrink from the responsibility of making his own decisions and issuing the commands which must be obeyed. With the march of time it becomes increasingly difficult to estimate accurately what those decisions are likely to be. They are taken in the solitude of a strange chamber, reached by a lift, cut out of the mountain-side high above his already lofty palace in the Bavarian Alps—a chamber from whose windows nothing can be seen except jagged peaks and sky. We are bound to infer, however, that certain developments in Britain have contributed to bring about a new estimation of the chances as they seem to present themselves to this strange yet able and astute mind.

It was, I assume, an essential feature of the Hitler plan that Britain should be kept in a state of comfortable confidence that developments on the Continent would be of no direct consequence to her own vital interests. Herr Hitler had himself been convinced from the outset that Germany's fatal mistake in 1914 had been to incur the active opposition of Britain and her Empire. Her object should have

been so to contrive that France, "the inexorable enemy of the German nation", would be isolated, thus safeguarding Germany against attack from the rear while, at the same time, "breaking up the league of our enemies which was so disastrous to us". (The quotations are from *Mein Kampf*, of which 4 million copies are in circulation in Germany; "a bible" which is compulsorily sold and taught to the whole nation; presented to every couple on marriage.) To secure co-operation with any of the Powers opposed to French hegemony in Europe, no advance from the German side must, in Hitler's view, seem too hard; no abandonment impossible, "if we can secure the final possibility of striking down the enemy who hates us so violently".

It is possible, perhaps even probable, that Hitler has modified this view of the ultimate enemy since he proclaimed his faith in so striking and profitable a manner. Until the operation against Czechoslovakia had been carried through to the utter discomfiture of France—Hitler may still have retained a measure of respect for the historic enemy. Thereafter he concluded, rightly or wrongly, that France, torn by internal dissensions and clinging precariously to the old financial order, had already resigned herself to an isolated existence on the western periphery of Europe. But in this same moment the Fuehrer did not fail to note that Britain, lethargic as ever, slow to awaken and sometimes confused in thought, was becoming acutely conscious of a growing threat to her own island existence and world-wide interests. He may have recalled his own dictum:

"It is a complete error to imagine that England personally is too cowardly to shed her blood in defence of her economic policy. England always possessed the armaments which she needed. She always fought with whatever weapons were necessary to ensure success. She delved deeply into the best blood of the nation when only such a sacrifice could bring victory. The determination to fight was always there, as also tenacity and ruthlessness in the conduct of the war."

We are thus entitled to assume that Herr Hitler has considered it a prime factor for the success of his grandiose plans that England should be kept sweet, separated from France and, if possible, lured into an arrangement which would enable Germany to settle her account with France once and for all. Ewald Banse, Professor of Military Science at the Technical High School in Brunswick, has explained the next phase for the benefit of his German readers. It is the destruction which must overtake the proud and seemingly invincible British nation once France has been annihilated, Holland, Belgium and Denmark annexed and, one presumes, Spain brought into the category of nations which may retain their titular independence only for so long as they afford to Greater Germany the facilities which she requires.

But in certain respects the German plan has failed. Dormant Britain has been aroused too early, and is making haste to repair the damage done to her powers of defence during "the years which the locusts have eaten". Herr von Ribbentrop may believe that, by the Pact of Friendship which he concluded finally in Paris on December 6, 1938, he has set the seal on the isolation of France. But Herr

Hitler is presumably well aware that the spirit of France is not yet quenched, while that of Britain is only now beginning to flare up. Assuming the soundness of these impressions, seeming, as they do, to confirm the information, recorded in the opening passages of this chapter, that Herr Hitler has virtually abandoned all idea of reaching an accommodation with England, it is a reasonable deduction that the present year will see a determined effort by Germany to inflict a serious and unmistakable humiliation on Britain, designed at least to check her rearmament programme and to stultify her efforts to reinforce British commercial interests abroad. Remembering Herr Hitler's profound belief in the efficacy of violence, terror and blackmail, we are at liberty to speculate on the course which will be chosen. To pick a quarrel with the Low Countries on any one of several pretexts, challenging Britain to implement her oft-proclaimed interest in the absolute integrity of those territories, might be effective for purposes of humiliation—provided one could be sure that Britain would not accept the challenge. To demand colonies, or a cessation of British rearmament, at the pistol point, with an air demonstration in support, might be still more effective—again assuming British acquiescence. To lure Britain into an adjournment of her rearmament, on the basis of a deceptive but outwardly attractive arms-limitation programme, negotiated in exchange for positive cession of colonial territories, would be more subtle.

But information seems to suggest that the Man On The Mountain is now less concerned to employ subtlety in his dealings with Britain, though from

time to time he still hankers after that “good understanding” which was his earlier, and partly mystic, inspiration. His motto is to strike swiftly, without previous warning which might allow the intended victim time to prepare, meantime seeking himself to undermine enemy resistance by acts of violence promoted from within. Recalling the preparation of Austria, and later of Czechoslovakia, for the final overwhelming demand, it may be prudent to read the outbursts of violence in England during these early months of 1939, with knowledge of the fact that German agents have for long been reported as active in the Irish Free State, fanning the embers of hatred for Britain and playing on the Irish Republican demand for an independent united Ireland. Nor can we overlook that, by striking a note of reassurance in the Reichstag, following a deliberate campaign of underground propaganda to spread alarm and despondency in the business and financial centres of the world, certain continental syndicates were enabled to reap rich profits on the markets, while the British people, keyed up to offer their services for national defence, were over-night encouraged to experience “a sense of relief” and to postpone their choice of the quality in which they might so serve.

2. THE ROAD TO INDIA

The possibility of a direct menace to the British Isles has been stressed in these opening remarks because there are indications seeming to point

towards a certain sense of desperation in Germany; to a determination to press on towards new and yet more striking successes before internal difficulties assume truly alarming proportions. Further, it must be realised and recognised that the "successes" of 1938 have left the mass of the German people wholly unimpressed, save only those practical souls who appreciate that both Austria and Czechoslovakia have proved to be financial and economic liabilities to an already impoverished State—impoverished, that is, according to the standards by which such things have been measured in the past. Yet to achieve them required a supreme effort which dislocated the "normal" life of Germany for a number of months and, as is now realised, brought the country to the verge of a devastating war. Nor does the mass of the German people believe that it was Herr Hitler who saved them from that calamity, as he had always promised that he would. They now know, one is assured, that their saviour, on that occasion, was Mr. Neville Chamberlain. Herr Hitler's reputation has thus not been enhanced, but rather dimmed by the events of last September—a fact which doubtless explains his lengthy and somewhat defiant explanation and justification of those events.

What success, then, can be recorded in 1939 calculated better to impress the nation with Herr Hitler's omnipotence and omniscience? And how can the hot blood of German youth, stirred by six years of intensive training for violence, be satisfied with such bloodless victories as can surely be obtained in Danzig and Memel; even, perhaps, in

Hungary. The scope for internal blood-letting by battering of Jews is approaching exhaustion. Nor has it proved wholly satisfying even to the Nazi party, while Herr Hitler is surely too intelligent but to realise that the economic disadvantages of uniting world Jewry in opposition may yet outweigh the internal relief temporarily obtained.

To reach some further estimation of the immediate prospects, we should perhaps recall the Hitler doctrine that once the programme is laid down, as it was in the twenty-five points of the National Socialist German Working-Man's Party, there must be no turning back. So far there has been no turning back from the aims clearly set forth in *Mein Kampf*—a positive plan for German expansion to the east and the colonisation of all south-eastern Europe. The military implications of that plan have since been somewhat extended, for they are merged with the old Prussian objective of establishing an all-German Berlin-Baghdad line as an essential step towards stretching out German domination through Persia to India, until the totalitarian forces join hands in the Far East. Steps of vital importance towards ultimate realisation of this objective were achieved in 1938. There is no student of history who is not familiar with the essential value to an aggressive Power of dominating the Middle Danube. Already to-day Germany, if she can successfully consolidate her gains in Austria and Czechoslovakia, has eliminated Italy and her erstwhile satellites as a threat to the German right flank, and has acquired the indisputable power to establish herself on the Adriatic at any moment she may choose.

True, Italy may even now be struggling desperately to effect last-minute reinsurance by understandings with Yugoslavia and her Balkan Pact partners, and with renewed pledges to Hungary and Poland. But while it is traditional for Italy to seek modest gains by backing both sides of the table, it would be misleading to overlook one supremely important factor. Italy is already held tightly in the German economic grip, just as Yugoslavia, with whom she has so hastily sought to build up friendship during the past year, is equally held. Further, Italy is no match for Germany in the field, and is fully conscious of the fact, while the Fascist Party chiefs, who are increasingly obtaining control over foreign policy, believe themselves to feel a true affinity for the Nazi chiefs of Germany, and are thus well content to swing along on the Rome-Berlin axis, confident that they will duly receive a share of the ultimate spoils. For these reasons it seems probable that Italy, though she may seek to maintain some bargaining power in the axis councils, will have no determining influence in setting the pace of the German drive to the Black Sea and Dardanelles.

Certain elements in Hungary may still cherish the hope that it will yet be possible to link hands with Poland, and so stretch some form of *cordon sanitaire* across the German path. But the conviction must be growing in Budapest that the relatively happy days of equipoise, when Italy could match Germany on the Danube, have passed beyond present recall, and in due course—perhaps immediately—Hungary will be allowed to preserve her independence only for so long as she acts in conformity with

German wishes. If she had any doubts on the subject, they were probably removed during the visit of Count Csaky, her new Foreign Minister, to Berlin on January 16 and 17, 1939. Obedient to the German behest, Hungary has aligned herself, with the other signatories of the so-called Anti-Comintern Pact, the instrument designed by Herr von Ribbentrop for lending a non-military aspect to what is, in fact, a strictly military alliance. And here we may recall Hitler's own thesis that "an alliance whose object is not a future war is senseless and useless. Alliances are formed only for fighting", and he explains that an alliance should have the aim of securing for both partners an extension of territory and power.

For Hungary the bait of recovering her territories lost to Rumania after the 1914–18 War may be dangled. It would, indeed, be more prudent for Hungary to aim any military effort of which she may be capable against her eastern neighbour, rather than to join in some attempt to stem the tide from the west, since her army is reported by competent military observers to be weak in the extreme. Thus our eye is carried to King Carol's country, where that astute and courageous monarch is making a last determined stand against the oncoming waters. But neither the British nor the French Governments of 1938 have thought it worth while to lend assistance to King Carol on such a scale, either financial or military, as would enable him, in the time available, to build any considerable bulwark. Already the foundations have been seeped by the underground action of the most cunning, if dishonest, economic

policy yet seen in the world—child of Dr. Schacht, reared and brought to maturity by Dr. Funk, who has to-day replaced the financial wizard both as Minister of Economics and President of the Reichsbank.

In the months, perhaps in the weeks, immediately ahead it is to be expected that we shall see a renewed drive of great intensity to carry further the aim of reducing the remainder of the Danubian and Balkan countries to the rôle of vassal states, each governed by men of known and established loyalty to Germany. While Dr. Funk increases his economic squeeze, the German armed forces, carrying out another "test mobilisation", may be striking terror into the hearts of the smaller States. Such, at least, is the conception held by observers who should be well placed to form reliable estimates. But we may derive some encouragement from the fact that Austria, for all that it was a Germanic state, has proved remarkably indigestible, while the Czech people in their enclave would be a source of weakness, should Germany find herself at war, even though the Prague Government, it is now tacitly admitted, is powerless to resist German demands, no matter how unreasonable. With these examples we are entitled to conclude that a certain time would be required for completing the south-east European programme, while military considerations would seem to dictate the prudence of deferring any aggressive action against the Ukraine until the whole of the German right flank and lines of communication have been secured by subjugation of all Danubia and the Balkans. Assuming the correctness of these arguments, we may therefore

expect that German propaganda in support of an independent Ukraine will be steadily maintained. But all the present indications are against an attempted military coup in that theatre as a next move.

At each stage it is useful to have in mind that Herr Hitler must seek to gain his successes without war, but by the overwhelming threat of war backed by an immense display of force, cunningly aided for its effect by an advance propaganda calculated to undermine the nerves of the Continent. So far as the Ukraine is concerned, Herr Hitler is probably satisfied that the work of preparation has not been carried sufficiently far to offer any prospect of a successful German annexation without a major conflict—certainly with Russia, and probably with Poland also. The Ukrainians themselves have not yet forgotten what it was like to live under the German yoke in the period which followed the Treaty of Brest-Litovsk, and, one is assured, have no anxiety to repeat that unhappy experience. But annexation of that area remains, none the less, a Nazi aim and a fundamental objective of the Hitler policy. There is no reason whatsoever to think that it will be abandoned.

For Britain, German realisation of these twin aims (subjugation of south-east Europe and annexation of the Ukraine) are hardly less dangerous than is the direct threat to the United Kingdom, although their effects might be rather slower to become apparent. In the first place, they would render Germany impervious to external pressure by blockade, for she would then have access to great reserve sources of raw materials—wheat, oil, iron and coal. Secondly,

Germany would once again be well on the way to establishing control over the two great routes to the Persian Gulf, to Iran (Persia), Afghanistan and India—the one passing to the north of the Black Sea, and the other to the south. Recalling these facts, it is easy to see why Britain sets great store on maintaining the friendship and co-operation of Turkey. Easy, too, to understand why Germany, developing the new technique of preparing the ground in advance, is active in stirring up anti-British feeling in the Arab lands and active in establishing her influence in Iran and Afghanistan.

3. THE MEDITERRANEAN

While 1939 will certainly see continuous work to advance the preparations for the eastern drive, there are, as I have already said, sufficient indications that the next successes for the Nazi and Fascist States are to be sought in colonies, although we should again remind ourselves that the final decision rests with Herr Hitler, brooding and planning in his solitude on the mountain-tops. Signor Mussolini may well have complained that the operations of the axis, since it was formed, have brought only losses to Italy. Indeed, he may even have reminded Herr Hitler of that theory on alliances which I have already quoted from *Mein Kampf*—namely, that each partner should hope to gain an extension of territory and power—unless, of course, we are to assume that “hope” is the operative word, or that Signor

Mussolini has not yet clinched his axis partnership by concluding a formal alliance. Be that as it may, the Spanish Nationalist victory is now achieved and the extent to which it will be followed by Italian and German withdrawal from the Peninsula will be determined by other and larger considerations. While Britain and France are endeavouring to gain the confidence of General Franco as the next ruler of Spain, Germany and Italy, with more established footing, are seeking to ensure that the future Spain should be pledged, by treaty of friendship, by Anti-Comintern Pact or by some other form of alliance, to positive collaboration with the Axis Powers in the Straits of Gibraltar, on the Biscay coast, in the Spanish Mediterranean and Atlantic islands and on the West African coast. Only time can show what is to be the outcome of this interplay of forces. For the moment we must retain an open mind, with knowledge that General Franco must pay due regard to the strength of the Falangist party in Spain ; has learned to dislike the Italians, but has a genuine admiration, amounting to affection, for the Germans. Since Spain has lost a million men in the " civil war ", with many more sick and maimed, it must be his natural aim to pursue a policy of neutrality in any future general war. But this same weakness renders him less able to pledge that neutrality to France when she seeks to determine the extent to which she can demilitarise her Pyrenees frontier and assume the security of her communications with North Africa.

In these circumstances Franco-British attention has naturally been directed more particularly in recent months to the Italian demands upon France,

still lacking official precision, but broadly and vehemently outlined by Fascist press and party officials alike, since they originated in the Italian Chamber of Deputies last November 30th. Probably we shall never know with certainty how far this campaign was launched by pre-arrangement between the Nazi and Fascist leaders. It is established that Berlin had received advance intimation of Count Ciano's attention to make public reference to Italy's "legitimate aspirations". And the choice of moment—coincident with Herr von Ribbentrop's visit to Paris for conclusion of a Franco-German Pact of Friendship—looked like the repetition of a stratagem whereby one end of the Rome-Berlin axis shakes a foe by the hand while the other hits him behind the ear. But it seems likely that Berlin was not prepared for the territorial demands upon France which, if pressed to the limit, must involve Italy in a major war. Herr Hitler does not approve of his allies taking independent initiatives which have not been carefully co-ordinated with his own plans. None the less, Herr Hitler has since proclaimed to the world that any ideological war waged against Italy, once it is launched and regardless of its motives, will bring Germany to the side of her friend. "National Socialist Germany is well aware of the fate that awaits her if ever an international Power should succeed in overcoming Fascist Italy", says the Fuehrer. In short, Signor Mussolini, like General Franco before him, must be made to win.

In Rome the impartial observer will tell you that the Fascist demands against France must be taken perfectly seriously. You will learn, if you did not

know it already, that Ethiopia has proved a tragic disappointment; that money must still be poured into, while next to nothing in the way of products comes out of, the lately conquered, but not yet subdued territory. The attempt to circumvent the French-controlled Jibuti-Addis Ababa railway by road transport from Massawa is proving highly expensive and inconvenient. In short, that what Italy wants is a ready-made colony which can supply valuable exports immediately, and for such a purpose what better or more convenient area could be found than Tunisia, with a reasonably balanced annual trade of some two milliards of francs, exporting to the United Kingdom alone over £1,000,000 worth of goods, the bulk of which is paid for in sterling. Further, since Italian East Africa must somehow and some day be made into a paying proposition, how should Italy tolerate that the only natural port and its approaches lie in French hands, while Britain still controls a further large extent of the natural seaboard? These are the types of argument which are being employed by the Fascist leaders in support of their claims for territorial changes in satisfaction of "Italy's legitimate aspirations". Officials, as distinct from Party hotheads, are more modest in their conception of legitimate aspirations, but in estimating the prospects we are bound to recall that in Italy, as in Germany, the existence of a régime is at stake.

As in Germany, so in Italy, a frenzied endeavour to obtain world power through force has brought the country to the verge of economic collapse. For both régimes two essentials press with ever-growing

insistence. The first is to fix the blame for this state of affairs on some other body against which the régime must represent itself as waging a great struggle on behalf of the nation. The second is to find some actual means of alleviating the lot of the masses, brought to the danger-point of discontent by falling standards of life and the consequent necessity for always more repressive measures of control. Where the situations of Germany and Italy differ, is that Germany has retained intact the war machine which has been so dearly bought, while Italy has not. Part of the latter's strength has been expended on the conquest of Ethiopia; far more on the effort to establish "a friendly government" in Spain. According to the best obtainable military estimates, Italy has entered upon 1939 almost devoid of war reserves of equipment and with a population already war-weary from campaigning which has continued without interruption since October 1935.

It may be argued, with some force, that Herr Hitler, when he addressed the Reichstag on January 30, was on the defensive, domestically; that there are indications of a desire to remain passive during 1939, putting the German house in order and the German *bourgeoisie* into concentration camps; that in this period Signor Mussolini will be authorised to create a diversion, but that nothing serious is contemplated or will be sanctioned. If those who thus read the situation should prove to be right, 1939 will be no more disturbing than 1938; on the short view it may be more comfortable. But it is on the pessimistic view that Britain should base her

calculations. Only by preparing for the worst will this great country be able to lead herself and Europe back to a healthier condition, back to sanity, decency and true justice in the conduct of both individual and international life.

FEBRUARY, 1939

CHAPTER IV

NAZI ECONOMICS: BULWARK OR FAÇADE?

By BERNARD KEELING

"No other country in the world surpasses Germany in the systematic adjustment of economic life to military requirements. German economic life is completely dominated by the soldierly spirit."—Dr. RUDOLF BRINCKMANN, Secretary of State in the Ministry of Economics and Vice-President of the Reichsbank.

1. RECOVERY THROUGH REARMAMENT

IN the past year Germany appears to have spent at least three times as much on armaments as Britain. The German budget has not been published since 1934; but a recent estimate based on the many other statistics still available puts the German total at between £1,250 and £1,350 millions.¹ British expenditure in the same period has amounted to about £380 millions—a startling rise from its customary level of £100 millions, but no less startlingly small when set against the German figure.

Six years ago Germany was in a state of political and economic collapse. Militarily she was of no significance; while over 6 million persons, or one-third of her workers, were unemployed. To-day Germany, rearmed, is a Great Power dominating Europe east of the Rhine. And unlike Britain, which still carries a load of 2 million unemployed, she is actually short of labour. The unemployed man in Germany is no longer a liability—he is a positive asset. Has this remarkable recovery been established on firm foundations? Or is it essentially unstable and ephemeral? These questions have acquired particular significance since the dismissal on January 20 of Dr. Schacht, the main architect of the German system.

¹ Thomas Balogh, "The Economic Situation in Germany", *International Affairs*, March–April, 1939.

The man in the street has been frankly bewildered by the German economic situation. By all the rules of economics, he feels, the financial policy of the German—and still more the Italian and Japanese—Governments should long since have ended in bankruptcy. How have they managed to avoid it? He does not, perhaps, realise that by implication he has answered his own question. The Fascist Governments have not simply broken the rules of orthodox economics; they have dismissed them contemptuously and substituted a new economic system of their own. The essence of the totalitarian economic system is State expenditure combined with State control. To the classical economists the State was a necessary evil whose intervention in the economic, even more than the political, sphere should be kept at a minimum level. To the Fascist economist, as to the Fascist politician, the needs of the State are supreme.

German Indices of Production.¹

Year.	Capital Goods.	Consumption Goods.
1929	100	100
1932	34	76
1933	44	83
1934	73	92
1935	99	88
1936	113	99
1937	124	105
1938 (Nov.)	144	123

The mainspring of the German economic recovery since 1933 has been State expenditure on armaments and public works. This is made startlingly clear by the official indices of production of capital goods

¹ League of Nations, *Monthly Bulletin of Statistics*.

(reflecting expenditure on armaments and public works) and of consumption goods, such as textiles and foodstuffs. In the years of depression the output of capital goods fell from 100 in 1929 to 34 in 1932, while consumption goods never fell below 76. Yet by November 1938 capital goods had actually risen to 144, while consumption goods had only reached 123.

The main cause of the revival in the output of capital goods is shown clearly by the fact that 50 per cent. of industrial orders and 80 per cent. of building contracts in 1938 were placed by the State. In most countries emergency capital expenditure by the State has been designed to stimulate a revival of private enterprise. This may have been the original object of Dr. Schacht's public works expenditure. But very soon, and particularly after the re-introduction of conscription in March 1935, the public-works schemes (apart from the strategic motor roads) became completely eclipsed by rearmament. From this stage onwards rearmament was the end to which all other considerations had to be subordinated. Public capital expenditure became vitally important in itself. Indeed, the revival of private enterprise was deliberately checked. The industries particularly affected were those producing consumption goods. But the activities of capital-goods industries, too, have been restricted where they compete with the military needs of the State. The number of houses and flats completed in the first nine months of 1938 declined by 21 per cent. as compared with 1937, and there is an estimated shortage of 1,500,000 dwellings. Even the railways have suffered, in spite of their obvious strategic importance.

According to a recent report by the Reichsbahn, they are in urgent need of new capital for the renovation of the permanent way and of rolling-stock. Indeed, the semi-official Institut für Konjunkturforschung estimates that the supply of goods wagons is 15 to 20 per cent. short of requirements, and that the railways will have to raise nearly Rm. 10 milliards of new capital during the next three or four years.

This prohibition of private capital issues is one of the most important elements in the structure of checks and controls of the economic system which the German Government has gradually evolved. It is reinforced by a prohibition of extensions of plant without official sanction. Another important measure is the law prohibiting the distribution of dividends over 6 per cent. (or in certain cases 8 per cent.), and requiring that any surplus profits be either reinvested in the industry or used to purchase State bonds. Furthermore, a rigid control of wages and prices has been established with the object of keeping the standard of living approximately at the 1933 level. State control of workers was carried still further in June 1938 by a decree authorising the Government to conscript labour for work of national importance, which was used shortly afterwards to conscript 360,000 men for the construction of the Siegfried Line. But the apex of the system is the State control of foreign trade. The State has established absolutely rigid control over the foreign exchanges. For example, an individual is not allowed to take more than Rm. 10 a month out of the country; and a law passed on December 1, 1936, provides that "a German national who,

deliberately and unscrupulously, out of crude selfishness or for other low motives, infringes the statutory provisions by smuggling property abroad or causing it to be retained abroad, and thereby inflicts grave injury on the German economic system, shall be punished with death." Such complete control over the foreign exchange enables the State to dictate precisely which industries shall and which shall not get supplies of essential raw materials which have to be imported.

The whole system has, in fact, shown an increasing resemblance to that of Soviet Russia, in method if not in object. But even in method there is still a distinction; for although the German entrepreneur is rapidly becoming a Government agent, he has at least been retained so that the benefits of his "enterprise" may be secured for the State. The difference between Communism and Fascism, it has been observed, is that Communism takes away your cow, while Fascism leaves the cow but collects the milk each morning.

The object of Nazi economic policy has been to prevent the volume of consumption and standard of living from rising, so as to concentrate all idle reserves of labour and plant on rearming the State. In 1933 these reserves were enormous, so that rearmament could be carried through without any appreciable reduction in the standard of living below the level prevailing in that year, although this, of course, was well below the 1929 level. But this process could not continue indefinitely. The reserve of unemployed resources, though large, was not inexhaustible; and within the past year there have

been clear signs that a state of full employment has been reached. This term is, of course, elastic. Dr. Ley has discovered that "there are still to-day hundreds of thousands of people unemployed . . . industrious by nature, but busy at some utterly useless task"¹; and he threatens to transfer such people—craftsmen and small traders, clerks and petty officials—to work of national importance, such as coal-mining. It has been conveniently forgotten that the woman's place is the home; and a year's labour service has been decreed for all young girls. Again, steps have been taken to extract more work from the existing labour force. A decree of November 1938 authorises the extension of working hours in German industry from eight to ten hours a day, or more "if required by urgent public interest"; and hours of work lost owing to national holidays, Nazi parades and the like may be replaced by additional working hours. Finally, increased use has been made of foreign labour, particularly in agriculture ; in the year 1937-8 380,000 foreign workers were employed in Germany.

The very fact that such exceptional steps have to be taken only goes to show that, broadly speaking, the German economic system is working to capacity. Indeed, it has been officially stated that there are over 350,000 vacant posts in the Reich. A critical point in German rearmament has therefore been reached. Hitherto it could, at least in theory, be carried through without a reduction in the standard of living. Now any further expansion must definitely lower that standard.

¹ *Daily Telegraph*, November 2, 1938.

2. TOTALITARIAN FINANCE

The stage at which virtually complete employment of resources was attained was of decisive importance. Up to this point the Nazis could and did expand the volume of money in circulation. Theoretically this would have been possible in an ordinary capitalist country, provided that the volume of money was not expanded more rapidly than the volume of goods, although in practice there would always be a danger of prices and wages rising. But the Nazis were able to expand the volume of money actually in advance of the volume of goods, since State-regulation of the economy made it possible to prevent price and wage increases. This did away with one of the main objections to a financing of production through credit. The mechanism of this expansion of credit was perfectly simple. The Government paid its contractors with short-term bills of exchange on which payment became due after six months. These bills could be "discounted" immediately at any bank—*i.e.*, cashed at slightly below their nominal value, the "discount" representing the price charged by the bank for advancing the money which was not actually due from the State for six months. The banks in their turn could "rediscount" these bills at the Reichsbank. As a result, a certain proportion of the bills were presented to the Reichsbank, whose note circulation expanded more or less correspondingly. But a considerably larger volume of bills remained in the hands of banks and individuals who were content with the knowledge that they could, if necessary, exchange their bills for

cash, and preferred to retain them as short-term investments.

Can the volume of short-term bills be expanded indefinitely in this way? This is the leading question which probably lies behind Dr. Schacht's dismissal from the Presidency of the Reichsbank. In his view there are very definite limits to a policy of credit expansion. "Armaments in the final analysis can be financed not through money creation but only through savings." On the other hand, "I also saw very clearly that I first had to throw a bridge over to this normal financing through savings, for our tax revenues had declined to a minimal amount and our capital market was exhausted"—this referring to the situation in 1933. But Dr. Schacht never meant this "bridge" of short-term bills to be extended indefinitely. Speaking on November 29, 1938, he said:—

"The spring of 1938 brought a change in our finance policy, because at that time German economy had reached a stage of full employment. As soon as an economy has made use of all available labour and materials, any further credit expansion is not only senseless, but actually harmful. For then newly-created money can no longer effect a further increase in goods production, but can only bring about competition for the available labour and raw materials; and such a competition must necessarily lead to an increase in prices and wages, despite all measures of State control. Now, the term 'full employment' is naturally elastic. An economy as large as the German economy will always be able to mobilise some labour reserves and realise some success in rationalisation.

But there was no more room for a credit expansion in the former style, and the authorities drew the inevitable conclusions. On April 1, 1938, credit creation by the central bank was stopped, and the financing of Government orders was shifted to taxes and loans. The period of transition was covered by the issue of delivery certificates."

These "delivery certificates" differ from the former "special bills" in that they cannot be rediscounted at the Reichsbank. They do not, therefore, lead directly to an expansion of the note circulation. Indeed, the shortage of cash resulting from the new policy was one explanation put forward for the slump on the Berlin Stock Exchange in August 1938, although there were, of course, other reasons for this decline, such as the fears of imminent war engendered by the "practice mobilisation". But even though the delivery certificates do not directly affect the volume of money in circulation in the same way as the special bills, they represent equally a form of credit expansion. So far price increases have not occurred on any substantial scale. The German authorities consequently argue that there can have been no inflation. But this is, to say the least, a tautological argument; for if the dictator vetoes any increase in wages and prices, the fact that there is none proves only that he is dictator. Inflation is driven to take new forms—a scarcity of commodities and a deterioration in quality; and such symptoms have already appeared.

The amount outstanding of this short-term Government debt has been kept a closely guarded secret. Statistics published by the German banks, however,

provide a sufficient basis for intelligent guessing. It has been estimated that the total must lie between Rm. 8.6 and Rm. 18.0 milliards, and is probably in the neighbourhood of Rm. 13–15 milliards.¹

These short-term bills by no means represent the total extraordinary revenue secured by the Government. From the first one of the main objects of credit expansion was to restore the national income to its pre-depression level and thereby stimulate the flow of taxation and savings. In all these respects Nazi finance has been eminently successful. The national income, after falling from Rm. 75.4 milliards in 1928 to Rm. 45.2 milliards in 1932, rose to Rm. 76.0 milliards in 1938, or virtually back to the 1928 level. Meanwhile taxation receipts, after falling from Rm. 9.0 milliards in 1928–9 to Rm. 6.6 milliards in 1932–3, actually rose to Rm. 17.0 milliards in 1938–9. This rise represented in the main the natural buoyancy of revenue in a period of general recovery; but there has also been some increase in taxation since 1933, the most significant increase (in the corporation tax) having been applied towards the end of 1938. No less remarkable is the volume of capital subscribed to public loans—Rm. 15 milliards since 1934, although official pressure and the deliberate closing of alternative avenues of investment go far to explain the total. By contrast the Rm. 1 milliard fine collected from the Jews after the murder of Von Rath seems comparatively small; it is significant that on January 30 Hitler gave an estimate of the wealth of the Church—Rm. 10 milliards.

¹ Thomas Balogh, "The National Economy of Germany," *Economic Journal*, September 1938.

Can an increase of the national debt on this scale continue indefinitely? That is the question which really puzzles most outside observers. An individual whose expenditure consistently exceeds his receipts must, it is argued, sooner or later end in bankruptcy; and the spendthrift dictator cannot ultimately avoid the same fate. This may be true, but the ultimate fate of the dictator may nevertheless still be very distant. Just as the individual can postpone his downfall by mortgaging his property, so the dictator can mortgage the State's; and though the tangible assets of the State may not be very great, the assets potentially subject to State taxation or expropriation are virtually unlimited.

A steady increase in the national debt does, however, present at least two practical problems—a threat to confidence, and a rise in the cost of interest payments. The threat to confidence can be a very real menace to a "liberal" economy like that of France, where a disorganised budget and currency can and does lead to a sharp rise in prices, a violent slump in stocks and shares, an export of gold and securities and a strike of capital. But in Nazi Germany these dangers were long ago foreseen and effective steps were taken to forestall them. Indeed, it is said that a foreigner once asked a Nazi friend what would happen if there were any loss of confidence, and was solemnly informed that the question did not arise, as loss of confidence was strictly forbidden. Moreover, quite apart from this rigid State control of the economic system, there has hitherto been a certain faith in Dr. Schacht as the man who established the Reichsmark on the

ruins of the inflated mark—even if, as his latest biographer informs us,¹ the credit for this achievement was really due to quite other persons. Now that Dr. Schacht has been removed, confidence in the economic policies of the régime must be correspondingly impaired.

Apart from the question of confidence, there is the rising cost of the debt service. First, it should be remembered that Germany's existing national debt is very small. She had, of course, accumulated an enormous debt during the War, the total rising from £240 millions to £8,300 millions, or slightly above the British figure.² But the inflation wiped out all this debt—and thereby ruined the middle classes, sowing the seeds of the Nazi Party. Since 1923 new debts have been incurred, but even six years of Nazi rule have left these comparatively small. The German national debt is in the region of Rm. 45 or 50 milliards or Rm. 500 per head of population; the British debt is over £7,000 millions, or £180 per person. But even though the existing national debt is small, it may be doubted whether the State budget can stand an indefinite expansion in interest payments. The annual expansion may, it has been estimated, amount to as much as 2 per cent. of the present national revenue. Such a figure is not negligible, but by contrast with other features in the German situation it is hardly alarming.

¹ Norbert Mühlen, *Hitler's Magician, Schacht*.

² Harris, *Germany's Foreign Indebtedness*.

3. DEPENDENCE UPON IMPORTS

The really vital problem of Nazi economics has throughout been shortage of foreign exchange. Germany is not a demi-continent like the United States or the U.S.S.R. These countries have vast resources of their own, and there is no fundamental obstacle in the way of their attaining self-sufficiency. Germany, on the other hand, is a highly industrialised country whose whole economy has been built upon the assumption that she exchanges manufactured goods for raw materials and food-stuffs—for the very good reason that she herself lacks adequate supplies of either. The situation is not so serious as regards foodstuffs. Including fodder, of which she is a considerable importer, Germany can supply all but 20 per cent. of her requirements of foodstuffs, whereas Britain must import at least two-thirds of her supply—a fact of which she has been unpleasantly reminded by the announcement of a great increase in the German submarine fleet. Germany is only seriously deficient in her supply of fats, 45 per cent. of which had to be imported in 1937. For industrial raw materials, however, she is far worse placed. She has an export surplus of coal and potash, but for every other raw material she is to a greater or less degree dependent upon foreign supplies. Other industrial nations share her lack of oil, cotton, wool, rubber, and many other commodities. But Germany has been peculiarly deficient in iron ore since she lost Lorraine. Before the War she produced 28·6 million tons of ore. In 1937 her output was only

9.8 million tons; 20.6 million tons had to be imported from Sweden, France and Spain.

The strategic danger of this dependence upon imported materials is obvious. But the economic difficulties have been no less striking at a time when international trade has lagged consistently behind internal—and particularly German—recovery. This dilemma is brought out in the following table¹:—

Year.	World Trade (quantum).	World Industrial Production (exclud- ing U.S.S.R.).	German Industrial Production.
1929	100.0	100.0	100.0
1932	74.5	63.5	53.3
1933	75.5	71.8	60.7
1934	78.0	77.8	79.8
1935	82.0	86.8	94.0
1936	85.0	97.3	106.3
1937	97.0	103.9	117.2
1938	88.5	89.7 ²	126.8 ³

Germany's fundamental problem is, therefore, the same as that of other countries: the failure of foreign trade to keep pace with internal recovery. But while the disease is the same, the cure which Germany has adopted is altogether more drastic. So far as possible she is attempting to dispense with the need for imports by synthetic production and territorial expansion. But as neither process can supply certain basic requirements, she is compelled also to adopt special measures to obtain foreign exchange or other means of external payment. The ingenious devices by which Nazi Germany has paid for imports (obtained is perhaps

¹ League of Nations, *Monthly Bulletin of Statistics*.

² 9 months.

³ 11 months.

a more suitable word) deserve a whole chapter to themselves. Briefly, they fall under two heads: default on foreign debt, and State control of foreign trade. But, one and all, they depend ultimately upon the same factor—foreign exchange control.

The original object of the German system of exchange control was to limit the export of capital. The need for this, as the world economic crisis developed, was obvious. After the great inflation had wiped out her own savings, Germany proceeded to borrow abroad on an enormous scale (primarily in New York, but also in London, Paris, Amsterdam and Zürich) first in the form of long-term loans, and later—when these became officially discouraged—in the shape of medium and short-term credits, which were not subject to official control. The volume of this indebtedness must at its highest point have amounted to Rm. 11 milliards of long-term loans and credits and Rm. 15 to 16 milliards of short-term loans,¹ equivalent to between two and a half and three times as much as Germany ever paid in Reparations. Although these vast sums were highly acceptable at the time they were received, critics were not lacking of the reckless scale on which some of them were contracted by public authorities. Even in 1927 Dr. Schacht himself was complaining that:

“The expenditure upon the construction of stadia, swimming baths, pleasure gardens, and ornamental buildings, upon land and estates, amusement halls, banqueting halls, hotels, offices, planetaria, aerodromes, theatres and museums, upon credit con-

¹ Harris, *op. cit.*, p. 8.

cessions to and participation in private business, amounts to a total sum not much below the total of foreign loans raised by the municipalities."

At any rate, whatever its original merits, this vast load of foreign indebtedness constituted a grave menace to Germany when the world economic situation began to deteriorate. For the natural instinct of the foreign creditors was to withdraw their credits and investments as quickly as possible.

Germany was thus in the position of a bank on which a run has developed. Like the bank, she was physically incapable of paying all her creditors simultaneously. She had no option but to close her doors. By the Standstill Agreement of August 1931 the vast short-term foreign credits became immobilised in Germany; and they have "stood still" ever since, except in so far as the creditors have sold out at a heavy loss to travellers and others anxious to benefit from the large discount on "registered marks". This was the situation when the Nazis came into power in 1933; and the question at once arose: If an embargo on the transfer of capital, why not on interest also? The temptation was altogether too great, and in June 1933 a "transfer moratorium" was imposed on 50 per cent. of the service of the long-term debt. This measure benefited not the individual German debtor, who was still compelled to make his payments into a "blocked account", but the German Government, which came into possession of a large quantity of "scrip" which it was only prepared to transfer to the foreign creditor at a discount of 50 per cent. In January

1934 the transfer moratorium was extended from 50 to 75 per cent. of the debt service, and in June of the same year a complete moratorium was imposed. Some exceptions—in particular the service of the Dawes and Young Loans—were secured by the creditors; but for the most part the creditor was entirely deprived of his assets, unless he was prepared to accept a mere fraction of the sums owing to him.

Insult was added to injury when the Nazis began to repurchase the bonds which their own action had depreciated. For if foreign exchange was not available to pay the interest on the bonds, how could it be found to make these bargain purchases? This process was used to subsidise "additional exports", the exporter being paid in Germany at the nominal price for bonds which he purchases abroad at bargain levels.

In all these dubious ways a great economy in foreign exchange has been achieved. The service of the foreign debt—that is to say, the amount actually transferred—has been reduced from Rm. 1,100 million to Rm. 220 million. The capital value of the debt itself has fallen from about Rm. 25,000 to about Rm. 10,000 million or less, of which approximately half is long-term and half short-term. To some extent these reductions are due to the depreciation of foreign currencies in terms of the over-valued Reichsmark; but first and foremost they have been achieved at the expense of the foreign creditor.

Apart from economising on the service of her foreign debt in this way, Germany developed, under the guidance of Dr. Schacht, a system of import

permits which gave the State complete control over the nature and source of all imports. It was soon clear which imports were to receive priority, and no attempt was made to conceal the choice. General Göring openly declared in December 1935 that "iron has always made an empire strong; butter only makes people fat. . . . Either we bought butter and went without freedom, or we achieved freedom and did without butter. We decided for iron. That is one cause of the butter shortage." This shortage has now become perennial; and butter has been described as "a substance which people had to spread on their bread in the bad old days of the democratic system"! Eggs and coffee also became very scarce in the winter of 1938-9. Such were the requirements of rearmament that Germany actually imported more metals in 1937 than in 1929, the peak year before the depression, while imports of predominantly civilian materials like cotton and wool remained well below the 1929 level.

German Imports: Quantities imported in 1937 as percentage of 1929.¹

Iron ore	122	Cotton	73
Manganese ore	142	Wool	62
Other ores	153	Timber	28
Iron and steel, raw	121	Oil-seeds	57
Copper, raw	100	Coal	58

An incidental advantage of control of imports was that it enabled the State to purchase in bulk. This weapon has been used with particular effect in South-eastern Europe. The small countries of this region were only too glad to dispose of their

¹ *Review of World Trade, 1937* (League of Nations).

unsaleable surpluses of cereals, tobacco and the like to one large purchaser at a profitable price. But they were much less impressed when they found that they were to be paid only with such manufactured goods and armaments as the Reich wished to dispose of, and at correspondingly high prices. Mr. Kennedy, the American Ambassador, has described the Yugoslav public's inconvenient failure to have sufficient headaches to absorb a ten years' supply of aspirins. But these small countries simply could not afford to antagonise the one market capable of absorbing all their produce and which—even more important—could guarantee them a fixed price for years ahead.

The means of payment for imports have been artificially developed by export dumping. A 2 per cent. turnover tax on industry provides something like Rm. 1 milliard a year as the basis for an export subsidy fund ; and there is clearly no limit to the Government contribution. Germany has also found endless possibilities of charging high prices where the purchaser is in a weak bargaining position—as in Eastern Europe—and low prices in markets where German goods have still to establish themselves. This is the point at which the Nazi economic system impinges most directly on the British. Some foretaste of what may come was provided by the sudden rise in British imports of small German cars from twenty-two in February 1936 to ninety-five in February 1937, and 1,272 in February 1938. Such matters can be dealt with by the British authorities—only thirteen German cars were imported in April 1938! But in other markets there is no simple remedy. The fact that Germany has so far not intruded into

markets where British influence is strong is no guarantee that she will not do so in the future. In fact, there is every indication that she will. The four-year self-sufficiency plan, so far from reducing imports, has for the moment actually increased them because of the heavy capital expenditure involved in setting up new factories for developing low-grade iron, the extraction of oil from coal and the production of synthetic rubber. Furthermore, Austria and the Sudetenland have both made heavy inroads into supplies of raw materials, in that expensive schemes of public works have been necessary to demonstrate the advantages of incorporation in the Reich, while many of the newly acquired industries, particularly the cotton and coal industries of the Sudetenland, have needed extensive renovation of obsolete equipment.

Nevertheless in the long run the four-year plan and the new territories should reduce Germany's dependence on imports. By 1937 Germany was supplying one-third of her normal oil requirements of about 5 million tons; and no doubt the proportion will be appreciably expanded, despite the cost. But even so it is hardly possible that Germany can remain self-sufficient in oil in time of war. Two German authorities have estimated the war-time oil requirements of a Great Power; one gives a figure of 12·65 million tons, the other suggests between 15 and 20 millions.¹ Nor can the exploitation of low-grade iron ore deposits by the Hermann Göring Ironworks ever supply more than a part of Germany's enormous need. The prospects for

¹ Fritz Sternbeg : *Germany and a Lightning War.*

domestic production of rubber and textile fibres are better—but even in these cases there are serious obstacles. Buna may be more efficient than ordinary rubber, but it costs seven times as much ; whilst synthetic textile fibres are made from timber in which Germany is not self-sufficient.

In this last respect, however, the annexation of Austria and the Sudetenland may prove helpful, for both territories possess large reserves of timber. In addition, Austria possesses high-grade iron ore reserves—although her 1937 output of 1·8 million tons, even if doubled, would still look small against Germany's 1937 imports of 20 million tons. Austria is also the world's largest producer of magnesium, a material which, being one-third lighter than aluminium, is of increasing importance, particularly in aircraft construction. Apart from timber, the Sudetenland contains large supplies of soft coal. This is a material of which Germany at present produces a surplus; but the demands of the oil-from-coal plants are so enormous that the Sudeten supply may yet prove valuable. In the same way the depressed textile, glass and other industries of Sudetenland appear at first sight to be something of a white elephant to Germany. But in practice both the reserves of labour power and the idle factories may prove useful adjuncts to the synthetic production campaign.

To some extent Germany's need for raw materials has become a motive power behind her plans for territorial expansion, although it would be dangerous to push this argument too far, since the shortage of raw materials is itself occasioned by an armaments

programme so large that it would be superfluous if territorial expansion were not its aim. Rumania's oil exports are double Germany's peace-time imports, and would go far to supply her needs in time of war, although the known reserves will be used up in a few years' time. Yugoslavia, with large deposits of copper, lead, zinc and bauxite—which last Hungary also possesses—is another attractive bait. All of these countries, too, have large surpluses of the cereals, livestock and other agricultural products which Germany requires. None of them, however, contains adequate supplies of the other key mineral—iron ore. Even now that the Austrian deposits have been acquired, Germany must continue to depend upon Sweden, France and Spain. The Lorraine ore-fields are conveniently close, but the Maginot Line presents a formidable obstacle to their incorporation in the Reich. The Swedish deposits, on the other hand, are inconveniently remote, in Lapland—although that would hardly prevent their featuring as a battle-field in the next war. As regards Spain, Hitler has openly referred to Germany's need for her mineral wealth, which includes copper, pyrites and mercury as well as iron ore.

Germany may, therefore, gradually reduce her dependence upon foreign countries by means of synthetic production and territorial expansion. But for a long time to come she must remain dependent upon her exports to pay for imports of raw materials. The volume of German imports in 1938 was 10 per cent. higher than in the previous year and actually back to the 1929 level. In value

imports remained approximately stationary between 1937 and 1938, whereas exports fell by 11 per cent. Consequently the 1937 export surplus of Rm. 446 millions was replaced in 1938 by an import surplus of Rm. 432 millions, which could hardly have been financed without the welcome reserves of gold and foreign exchange impounded from the Austrian National Bank.

German Foreign Trade
(Rm. millions)

	<i>Imports</i>	<i>Exports</i>	<i>Surplus</i>
1929	13,477	13,483	+ 36
1932	4,666	5,739	+1073
1933	4,204	4,871	+ 667
1934	4,451	4,167	- 284
1935	4,159	4,270	+ 111
1936	4,218	4,768	+ 550
1937	5,455	5,901	+ 446
1938 ¹	5,449	5,257	- 192

These figures go far to explain the great drive to expand exports inaugurated by Herr Funk's Balkan tour in the autumn of 1938 and followed up by negotiations with the U.S.S.R. and many other countries. As Hitler said on January 30, "Germany must live—that is export—or die." Such an export drive must inflict still further demands upon the German productive system at a time when it is already strained to the limit in simultaneously maintaining the output of armaments, carrying out the Four-Year Plan and adapting the Austrian and Sudeten economies to German requirements.

This is the dilemma which Dr. Funk has inherited

¹ Excluding Austria. Including Austria the import surplus was Rm. 432 millions.

from Dr. Schacht. If he is really "to open up the capital market and place it in an increased degree at the disposal of the private demand for money" without curbing State expenditure on armaments, he may well find it difficult to "guarantee as hitherto the unconditional stability of wages and prices", now that the resources of the country are fully employed. Dr. Schacht has gone because he said he could not fulfil requirements so contradictory. Will a lesser man succeed where he refused to try? Or will he in the end adopt Schacht's own remedy of reducing expenditure on armaments?

It is not insignificant that Dr. Funk's right-hand man, Dr. Brinkmann, who was the only faintly orthodox banker to survive the recent purge of high officials at the Reichsbank, has succumbed to a brainstorm and retired on indefinite sick leave.

CHAPTER V

**GERMANY'S ALLIES:
WHAT THE TRIANGLE MEANS**

By SIR SIDNEY BARTON, G.B.E., K.C.V.O., C.M.G.

1. CONFLICT WITH JAPAN

THE recent widespread—if somewhat sudden—outburst of criticism directed against the Versailles Peace Settlement of Europe could, with at least equal justification, be applied to the Peace Settlement of the Far East negotiated at the Washington Conference in 1922 as the appendix to Versailles.

For twenty years prior to 1922 the Anglo-Japanese Alliance—with all its drawbacks—had in the main been a stabilising factor in the Far East. The Alliance was stated to be based on a common interest in the future of China, but never at any time during its existence was any serious attempt made to discover what the China policy of each Ally really envisaged or to harmonise these policies. Even if for the first decade these policies might have been politely described as parallel, with the outbreak of the Chinese Revolution at the close of 1911 they became patently divergent. Britain declared for a strong and united China, but Japan wanted neither of these things, for she definitely disliked the advent of a republican régime in such close proximity to her own revered autocracy, while her ambitions indicated a preference for weakness and disunion in her neighbour.

The outbreak of the World War in 1914 only served to accentuate these divergencies, for Japan was not anxious to see China acquire the status of an Ally, while England welcomed China's adherence to

the Allied cause. Yet in spite of lack of mutual understanding and divergence in aim, the Anglo-Japanese Alliance—so long as it subsisted—continued to exercise a moderating influence on the course of events, and it was not until the Peace Settlement denied the claim to racial equality of Japan, who was recognised as a Great Power during the War, and replaced the Anglo-Japanese Alliance by the Nine-Power Pact, that there was implanted in a proud and sensitive Eastern race a bitterness which was destined to blossom into the anti-Westernism of to-day.

The Nine-Power Pact, which aimed at ensuring peace in the Pacific, by guaranteeing the independence and integrity of China and standardising her progress towards complete equality of status according to the precepts of Western post-War liberalism, failed to include one of the most important parties interested—namely Russia—and in China advanced opinion, which was also far from satisfied with the Peace Settlement, extended a ready welcome to Russia's offer to assist "the oppressed people" of China to free themselves by radical methods of the new school from the shackles of "the unequal treaties". Russian emissaries worked hard and efficiently in South China to convince their hearers of the advantages of a Communist form of government, and also of the advantages of concentrating their efforts against the British as the originators and principal upholders of the so-called imperialistic servitudes. The principal argument used in support of the latter doctrine was that Britain—being exhausted after the War—was not prepared to take serious action in defence of her interests so far afield

as China, and that if she were once dislodged, the disappearance of the rest of the so-called imperialists would follow.

The British policy of tact and conciliation seemed for a long period to confirm the correctness of the Russian argument, and it was not until a British division was sent to Shanghai and joined there by the troops of other Treaty Powers (including Japanese) for the defence of the foreign settlements in 1927, that the leaders of the Chinese Nationalist Movement decided to abandon direct action for negotiation. The Russian advisers and the extreme Left Wing of the Nationalist Party were discarded, but the Nationalist Government extended its hold throughout the country, and became the Government of China, with its capital in Nanking.

Again after these developments Japan in 1928 made an effort to reach some understanding with Britain regarding respective aims and policies in relation to China, but there was no result, and in 1931 Japan occupied Manchuria and took the first step on the road to the forceful domination of China. Britain further weakened her influence on events by keeping the residence of her diplomatic representative at Peking, 600 miles from the seat of the Chinese Government.

The effort made by the League of Nations to secure respect for Covenant and Treaty obligations was easily brushed aside, and when in the following year Britain and the other Powers interested failed for the first time in history to maintain the neutrality of the foreign-controlled areas in Shanghai, the menace implied in Japan's policy appeared at the

very doors of the British position in the Far East. This neutrality had been jealously guarded for ninety years through ten wars, civil and external, with the result that Shanghai had become the principal citadel of China's own financial, industrial and commercial progress, as well as of foreign investments and interests.

In June 1937 it was officially announced that negotiations were about to be opened between Britain and Japan for the improvement of their relations without prejudice to the interests of China, but it was now too late, for in the following month the latent conflict between Japan and China flared up into general warfare, and was soon to embrace the whole country. Shanghai—no longer neutral—became a major battlefield, and British interests, material and moral, suffered heavy losses, which were speedily extended to other centres, such as Hankow and Canton, while the British Colony of Hongkong found itself cut off from its normal surroundings.

With this brief background of events to guide us, let us examine what these British interests in China are, and how they are affected by the policy now being pursued by Japan.

British trade with China may be said to have started as an overflow eastward from the trade with India and, after the termination of the East India Company's monopoly in 1834, it developed rapidly, and as a result of treaties negotiated after the China wars a number of ports were opened to the trade and residence of British merchants. Under the treaty system these merchants enjoyed the protection

of their own law and the municipal control of the areas set apart for their residence. The island of Hongkong became by cession a British colony, and served as a base for the exercise of control over the residents in the treaty ports pending the admission of a British diplomatic representative at the seat of the Chinese Government.

These trading centres developed into points of cultural as well as commercial contact between Briton and Chinese, and a community of interest was born which affected all spheres of intercourse. In periods of civil war the foreign-controlled areas became places of refuge for Chinese merchants and their belongings, and this in turn led to a development of mixed jurisdiction, which served to produce a better mutual understanding of Eastern and Western systems of life. Finally, when the infiltration of Western ideas led to the adoption of a republican form of government in China, these treaty-port centres played an important rôle in safeguarding not only the British investment in China's commerce, industry, finance and communications, but also in protecting a vital portion of the Chinese investment in the whole machinery of progress in the New China, which—after three-quarters of a century of these close contacts—was beginning to emerge and take its place on an equal footing in the comity of nations.

Expressed in terms of money Britain's stake in the China trade has been estimated at £300 millions, but measured in terms of future potentialities, and especially of her influence as an upholder of international justice, the value of the good-will and trade name of "Britain (China) Limited" is almost

beyond computation, at a time when the stake is no longer China's trade, but China's existence as an independent nation.

Japan, the challenger of China's right to freedom, has herself owed much in the past to the same good-will of Britain in promoting her own entry into the comity of nations. The same treaty system operated in the nineteenth century to enable British merchants and officials in Japan to promote contact and mutual understanding in all spheres between East and West. Britain's good faith in the use of that system was demonstrated by its abandonment in Japan, as soon as it had served its purpose of enabling Japan to enter the modern State system, while the Anglo-Japanese Alliance had subsequently contributed to the numbering of Japan among the Great Powers. The process of introduction had proved easier and shorter in the case of Japan, a compact island-State with a long tradition of loyalty to a national ideal, whereas the vast and loosely knit geographical unit of China had been less ready to recognise the advantage of adapting herself to a new world system, which her tradition led her to criticise as giving undue prominence to material over ethical principles.

Japan's success in her wars with China in 1894 and with Russia in 1904 had already encouraged the extreme section of her militant nationalists to believe that Japan was destined to lead the peoples of Asia in giving practical effect to the policy of Asia for the Asiatics. The experiences of these peoples in the course of the Great War, and in the Peace Settlement which followed, created a profound impression, which tended to concentrate attention on the question

whether the time had not come to indicate to Europe and America that the latter's usefulness as rulers of territory in Asia had now come to an end, and that the people of Asia should be left to work out their own destiny in their own way. While the failure of the League of Nations in the Manchurian question helped to change the extremist minority in Japan into the party in control of the Government, their programme of speeding the parting West required for its realisation the marshalling of the millions of China behind the spearhead of Japan. Japanese methods, however, have during the present lengthy campaign antagonised the Chinese, instead of rallying them to the racial banner, and have earned the reprobation also of the millions of India, who were expected to appreciate the appeal of the same racial slogan.

While Japan might have been discouraged by this failure of her diplomacy to keep pace with her military prowess, her determination to persist in her courses, however desperate, was, on the other hand, strengthened by the apparent success of her partners in the Triangle in paralysing the efforts of Britain and France to maintain international justice in Europe. Japanese statesmen are not used to proclaiming their minatory aims with the brutal frankness of their European partners, but since the Munich crisis their responsible spokesmen have become increasingly definite in their utterance, and the danger to Britain inherent in the present policy of Japan in China could not be more clearly summarised than in the words of the Vice-Minister for War in Tokio on November 28, 1938. Addressing a meeting of

munition manufacturers under the chairmanship of the Minister for War, the Vice-Minister General Tojo said :

" It is evident that although the Chinese armies are now driven into the hinterland, they will continue to receive material and moral assistance from Britain and France in the South-west and Russia in the North-west. Britain believes that the success of Japan's continental policy is weakening the foundation of British rights and interests in China and may even constitute a threat to Singapore, Australia and India."

He further declared that France was similarly placed owing both to her need to protect Indo-China and to her close association with Britain in Europe. An earlier Japanese pronouncement had defined this continental policy as including the formation of an economic and political *bloc* comprising Japan, Manchukuo and China, with Japan as the predominant partner.

These statements take account of the obvious facts that British interests in China are founded on international agreements subsisting between Britain and China as free and independent nations and members of the League of Nations, that this foundation will disappear if Japan succeeds in destroying China's freedom, that these interests are not confined to trading facilities, but constitute for the British territorial position in Malaya, Australia and India a bulwark, which will thus also disappear, and that the same fate is reserved for the Far-Eastern interests of Britain's partner France.

Implicit also in these statements is the over-riding

menace that, if Britain and France fail to take this last opportunity of maintaining the right of the Eastern peoples as free units to adapt to their own requirements the liberal ideals which they have acquired by contact with the West, then there will be only one choice left to the 800 millions of these peoples in China and India. This choice lies between allying themselves with the extreme Russian form of resistance to domination, or abandoning all hope of salvation through any form of Western liberalism and uniting as Asiatics under the racial banner of Japan to purge Asia of its European intruders.

The British positions in Asia, which are thus threatened, are defended to-day at least as much by the force of the square deal as by the force of arms. Wherever comparative handfuls of Britons work, whether as rulers or traders, among the teeming millions of the East, their strength still consists largely in their reputation for fair play and reliability, and as these millions rise to self-government under our inspiration, and the machinery of existence becomes more complicated in the East just as it does in the West, so the importance of that reputation becomes greater. Japan's success in pursuit of her double policy of dominating China and undermining British interests has already seriously weakened this all-important reputation, for Britain's failure to render effective the guarantees of independence for China under the League Covenant and Treaties, or even to defend her own interests, seems capable to the Asiatic mind of only two possible explanations: either Britain is not really opposed to aggression as

such, or she is no longer capable of making her opposition effective, and this inevitably suggests looking for partnership with something stronger than the British Commonwealth.

Indications of such Asiatic bewilderment within the Commonwealth are not lacking, and not the least suggestive of these appeared in a message from *The Times* correspondent in Vienna of December 11, 1938, reporting the scheme for the building there of an "India House" to include reception saloons for Indian Princes and a propaganda department, as an outcome of the movement in favour of closer cultural and economic co-operation with Germany, which had derived its impetus from the *Anschluss*.

Less weight might have attached to our reputation for the imponderable portion of our strength in Eastern Asia if the ponderable portion—namely, our Eastern naval, military and air forces—were designed on a scale commensurate with the situation which has been allowed to develop. Such is, however, not the case, for Japan at the apex of her Triangle is at home in the Pacific, with the fleet, army and air force of a First-Class Power manned by some of the world's best fighting material, while we are half the globe away, with commitments in every sea.

We must therefore face the fact that Japan, being militarily secure, can afford to concentrate on exploiting to the full those racial antipathies and ambitions which—always latent in the relations of East and West—have hitherto been neutralised by our liberal policy of trusteeship. This policy has always depended for its ultimate success on our reputation for strength and reliability, but this

dependence was bound to become accentuated, as the degree of enlightenment increased under our encouragement, and as the advocates of speedier and more radical self-determination for the native became more clamant under the influence of extremist propaganda.

The very form of the steps now proposed by Japan to consolidate her own control in the large area of China already under her military occupation indicates that she is, in fact, concentrating on the exclusion of British interests through the plausible medium of a Federal Chinese Government. This Government, if and when formed with the participation of elements drawn from the disillusioned moderates and professional extremists among the Chinese, will be put forward as the author of the measures designed to eliminate us, and will be used as a buffer to neutralise the effect of any protests against discriminatory or unfriendly action which we may address to Japan. This was the rôle allotted to the Government of Manchukuo after Japan's seizure of Manchuria, and the experience of some six years' success in eliminating British interests from that area is now at the disposal of the authors of the present major scheme designed to eliminate them from Eastern Asia as a whole.

To sum up, that portion of the British Commonwealth which is situated in Asia and Oceania, and comprises one-third of its area and three-quarters of its population, is menaced directly or indirectly by the present actions and policy of the Triangle of Forces suspended between Tokio, Berlin, and Rome.

2. MUSSOLINI'S ROMAN EMPIRE

Let us now turn our attention to the Rome angle of this Triangle. The recent policy of aggression pursued by Italy in Abyssinia, covertly since 1932 and overtly since 1934, has a background which presents many parallels to the situation which Japan found ready to her hand in China, while the results of this policy and its implied menace to British interests differ only in the extent of the areas and populations affected.

In general outline the design of the two backgrounds is the same—namely, dissatisfaction felt by the aggressor with the Versailles Peace Settlement, complicated by the existence of pre-War treaties with Britain and France relating to the maintenance of the integrity of the victim of aggression.

The admission of Abyssinia to the League of Nations in 1923, which took place with the support of Italy, operated to render of no effect any pre-War treaties which might be construed in a sense contradictory to the provisions of the Covenant of the League. Bad habits, however, are hard to eradicate in the sphere of international relations, as elsewhere, and it must be conceded that London and Paris, as well as Rome, failed to realise that their signatures to the Covenant involved a final abandonment of their pre-War policy of regarding Abyssinia in the light of the agreements belonging to the "Partition of Africa" era. This policy had been continued on paper even after the Abyssinian victory in the war of 1896 had wrung from Italy recognition of Abyssinia as an independent State, and ten years after Adowa,

Britain, France and Italy are found in 1906 signing a Tripartite Agreement which purports to define the *status quo* in that country on the basis of a number of partition agreements extending from 1888 to 1902, but omitting the Treaty of Peace with Italy of 1896! In other words, Abyssinia's successful defence of her independence against Italian aggression in 1896 was apparently held in 1906 to be merely an incident, and the document confirming it as unworthy of inclusion in the list of diplomatic instruments defining the *status quo*.

In 1925, two years after the admission of Abyssinia to the League, Britain negotiated an agreement with Italy on the subject of Lake Tsana which provoked a protest by Abyssinia to Geneva; later, in January 1935, France in turn negotiated an agreement with Italy which included provisions relating to Abyssinia. The first of these agreements was represented by Italy at Geneva in 1935 as confirming the Tripartite Agreement of 1906, while the Italian view of the second may be deduced from the authoritative work *Anno XIII the Conquest of an Empire*, published by Marshal de Bono in 1936, in which that distinguished architect—under the Duce—of the Italo-Abyssinian War, writing of the events of January 1935, says:

“About this time the conversations with Laval took place in Rome, which gave us reason to hope that if we did have to take action in East Africa France would put no obstacle in our way.”

Britain's interests in Abyssinia—measured in terms of money—were very small compared with

those in China, but the responsibilities arising from those interests were far from insignificant; thus it should not be forgotten that the largest single investment was one of £500,000 by a British Indian firm which, having traded for fifty years under the ægis of our treaties, was incontinently expelled by the Italians.

Isolated from Europe geographically and politically for centuries, the first treaty between an Abyssinian ruler and a foreign country was made in 1841 with Britain by the King of Shoa, grandfather of the Emperor Haile Selassie, and this was followed in 1849 by a treaty with the then Emperor. A subsequent civil war placed the fanatic Theodore in power, and the latter's imprisonment of British subjects led to the war of 1868, in which the British forces were largely assisted by the Abyssinian chiefs and people opposed to Theodore. Later, when in 1884 the Egyptians were driven from the Sudan by the Mahdi, Abyssinia, at the request of Britain, agreed to assist in the evacuation of the Egyptian garrisons at Kassala and other frontier posts and to resist the Dervishes. In 1889 the Emperor John was killed defeating the Mahdi's forces at Gallabat, but in the meantime Britain had encouraged the occupation by Italy in 1885 of the Red Sea port of Massawah, which prior to the Turkish and Egyptian occupations had formed part of Abyssinia.

Our action in regard to Massawah did less than justice to either our legal or equitable obligations to Abyssinia, and speaking in the House of Lords on July 29, 1887, Lord Napier of Magdala paid generous tribute to the assistance afforded to us by John, and

uttered what have since proved to be prophetic warnings of the risks attaching to the Italian occupation of what was by right Abyssinian territory.

Again in 1901 we called on Abyssinia for armed co-operation in the defence of British Somaliland against the Mad Mullah, and when during the Great War the ruler of Abyssinia in 1916 was enticed by Germany and Turkey to embrace Islam and throw in his lot with the Central Powers, he was prevented from doing so by the change of Government which placed Ras Taffari, later the Emperor Haile Selassie, in power. Finally it was in discharge of Abyssinia's obligations to us under the agreement for the delimitation of the frontier of British Somaliland, made at our instance, that the Abyssinian Boundary Commissioners went with their British colleagues to Walwal in November 1934, and there came into conflict with the trespassing Italian forces—the conflict which furnished Italy with her long-sought pretext for the war which followed.

The object in recalling these incidents is not to paint in darker colours the blot on Britain's escutcheon or to waste time in regrets for the past, but is to emphasise the nature of the reaction which has been produced on the peoples of Africa by our attitude and actions during the war, which is a factor of great importance both for the present and the future.

The main facts of Abyssinia's history and her survival as an independent State in Africa, though little known in Europe, have long been familiar subjects of discussion among politically-minded Africans and among neighbouring Asiatics.

Nationalism in Africa, though necessarily less developed than nationalism in Asia, is a very live and growing force, and contact is maintained between the two not only through geographical propinquity —*i.e.*, the Arabian Peninsula—but also through the communities of Arab and Indian immigrants existing in Africa. Nationalist ideals are also disseminated from the African communities in America and the West Indies, as well as from the educated classes to be found in Egypt and in Colonial Africa. In those parts of the continent where the Press, literature and means of communication are lacking, itinerant native enthusiasts work their way from place to place exchanging ideas and spreading news and views.

It was only natural, therefore, that when a European Power proclaimed the intention of satisfying her own need for expansion by wiping off the map this African State-member of the League of Nations, which was striving by slow but sure advance along the road of liberal progress to take its place in the world comity of free countries under the ægis of the Covenant, the organs of both African and Asiatic nationalism should at once take alarm. In addition to official observers from Turkey, Japan, the Yemen and Saudi Arabia, there came to Addis Ababa unofficial observers from the Indian Congress and Pan-Asiatic movements, as well as from the African Nationalist centres in the West Coast and in the Union of South Africa. These observers were interested especially in the racial aspects of the conflict, while over one hundred journalists, including a group from Moscow, sought to explain to the Press of the West the course of a war which must

have seemed comparable to a fight between a David and a Goliath. The force arrayed by the giant was indeed formidable, but the stripling was persuaded to put on the armour of the Covenant, in which he had the most loyal and complete trust, only to find himself pierced by the broken sword of the League. Had the stripling used his own staff and sling unhampered by the dead weight of the untried armour, which forced him to remain inactive, and even curtailed his supply of sling-stones during the nine months which the giant was given to mass his forces, the result would certainly have been different.

The peoples of Africa were bewildered by the fate of Abyssinia at the hands of Italy and by the apparent impotence of Britain to influence that fate, even in such matters as the use of gas. It is significant that the only British Dominion situated in the African continent had been amongst the foremost at Geneva in pleading the cause of the victim against the aggressor, and there can be little doubt that her knowledge of the reaction which successful aggression would produce on the native mind played its part in influencing the attitude of the Union of South Africa towards the conflict.

Italy herself has left us in no doubt as to the aims of her action in East Africa, for the book by Marshal de Bono, to which reference has already been made, reveals these with an extreme candour, and describes in detail the care and secrecy with which they were elaborated for years before they were put into operation on the date appointed. The cynical revelations contained in this book provide a contemporary commentary on the official statements and

public acts of the Italian Government, which must be without parallel in modern historical documents, published so soon after the events which they describe. The author tells us that he was Minister of the Colonies in 1932, when the Duce, having decided what Fascism was intending to do in East Africa, authorised him to declare these aims in a very vague form to the Italian Parliament and to divulge them in a few short articles in certain periodicals; he worked on the preliminaries for over two years, and finally left quietly for East Africa as High Commissioner to put the plans into effect on January 7, 1935, the day on which the Laval-Mussolini agreement was reached, and it was he who commanded the Italian army in the opening months of the war; the Duce wrote the preface to his book on September 28, 1936, less than five months after the annexation of Abyssinia was proclaimed.

In his preface the Duce states:—

“ This book is interesting because it tells what happened yesterday, so that the protagonists and spectators can give reliable testimony. Above all, it is an impressive book and destined as such to astonish the reader whether he is an Italian or a foreigner.”

One foreign reader, who happens to have been a spectator of the events described from 1929—the year in which the systematic and costly subornation of selected Abyssinian chiefs from their loyalty is stated to have begun—was certainly astonished by the book, and can recommend its perusal as throwing unrivalled light on what has recently become a much-

debated question in Britain—namely, to what extent can the official declarations, verbal or written, of the Italian Government on international affairs convey to a Briton a correct understanding of what the declarant means?

Leaving books and declarations, let us look at the position in the Red Sea in 1936. On the Western shores, by her agreement with France in January 1935, Italy had obtained the cession of a portion of French Somaliland, which gave her the island of Ras Doumeira opposite the British island of Perim in the Straits of Bab-el-Mandeb, at the southern gateway to the Red Sea; by her occupation of Abyssinia, Italy obtained a hinterland containing a reservoir of some of the best fighting material in Africa, on which she had already drawn for the subjugation of Libya, and which she began to recruit immediately after the arrival of her armies in Addis Ababa. On the eastern shores of the Red Sea, Italy had long been courting the Arabs of the Yemen, and propaganda representing her as the only real friend and protector of Islam was intensified to cover the Moslem populations surrounding the whole Red-Sea area.

Italian officers of the army of occupation made no secret of their belief that Abyssinia formed but a first instalment of the new Roman Empire in East Africa, while in articles published in the British Press appealing for a return to the old days of Anglo-Italian friendship undimmed by memories of the tiff of sanctions, it was politely pointed out that self-interest on our part also postulated such a return, if we wished to avoid annoying the new gate-keepers of our Red Sea route to India.

Apart from the effect produced by the Italian action in East Africa on our position in the Red Sea, there is also its effect on the land frontiers of the neighbouring British territories to be considered. Abyssinia marched for some 2,000 miles with British Somaliland, Kenya and the Anglo-Egyptian Sudan. These frontiers involved for us steadily diminishing police problems, but no serious military responsibilities; the trans-frontier grazing rights of the tribes were regulated by treaty or custom.

Our first experience of the new conditions was in connection with the British Somaliland frontier, where the trans-frontier grazing rights are of great importance to the British tribes, and were secured by treaty with Abyssinia in 1897. In order to secure Italian recognition of these rights it was necessary for us to agree that improved port and road facilities for transit traffic should be provided at Italian expense in British territory to assist the Italians in South-eastern Abyssinia. Details of this agreement, which was made in Rome in January 1937, were laid before Parliament in June 1938, and as it provided Italy with an alternative and therefore rival route to the French railway from Jibuti, it was not wholly unconnected with the Italian failure to come to terms with the latter—a failure which, in December 1938, was used to supply Italy with pretexts for the most far-reaching demands on France affecting both Jibuti, the railway and the Suez Canal.

The Italian views on the future of the Kenya and Sudan frontiers have not yet been disclosed, but the presence of British Somali tribesmen in Italian military units in Southern Abyssinia (incidentally

a contravention of the Anglo-Italian Bon Voisinage Agreement of April 1938) is not likely to simplify the already delicate question of the relations between the Somalis and the non-Moslem tribes in Kenya's northern province.

On the Sudan side the question of our treaty rights in Lake Tsana is involved, and here again the Press propaganda does not suggest a modest price for Italian recognition of what Lord Cromer obtained for us in June 1902. Our ill-starred Tsana agreement of 1925 with Italy, of which mention has been made above, contemplated British support for an Italian railway to bridge the vacuum which in the shape of Abyssinia then separated Italian Somaliland from Eritrea. Now that the old vacuum has been absorbed, it is apparently suggested that an Italian railway or road should bridge the new vacuum, which in the shape of the Sudan now separates Italian East Africa from Libya. The portent of such a suggestion would appear to be at least equal to its logic!

If the existence of the ponderable dangers to the British Commonwealth outlined above as inherent in Italy's action in Abyssinia are confirmed by the very terms of the Anglo-Italian Agreements of April 1938, it may be argued that they have also been removed by the same terms. Every Briton would fain be convinced by this argument, but he looks for evidence that the terms of the agreements are construed in the same sense by both parties, and so far this evidence is not available. The agreements were hailed in Italy as first and foremost the acknowledgement of Italy's acquisition of an Empire and of

Imperial status, and even such items as Britain's historic acquiescence in the expulsion of British religious missions from Abyssinia were judged to be not unreasonable as bargains in exchange for the recognition of British rights in Lake Tsana. In Britain the agreements and the sacrifices of moral and material interests involved were justified solely as offering a contribution to world peace. Britain went to extreme limits to discover in the world of November 1938 the elements of the required justification, while Italy celebrated their discovery by a fierce frontal attack on Britain's partner, France, and by the repudiation of the Franco-Italian Agreement of 1935, to which the new Roman Empire owed so much.

This repudiation, which was announced in Press messages from Rome and Paris on December 22, 1938, would seem to summarise all the warnings which might have been read between the lines of those "short articles in certain periodicals" which, as we have been told by one of their authors, began to appear in 1932—*i.e.*, after the League failure in Manchuria.

By January 1935 events had progressed to the stage where France could utilise Italy's imperial aims to negotiate with her a settlement "for the Peace of Europe" at the expense of Abyssinia, a fellow-member of the League. Britain acquiesced, and there followed chronologically within a year the collapse of the League machinery in Abyssinia, the re-occupation of the Rhineland, the intervention in Spain, the re-occupation of the Dardanelles and the entry of Japan into North China.

By April 1938 it was the turn of Britain to negotiate with Italy a settlement "for the Peace of Europe" at the expense of Abyssinia, still a fellow-member of the League. France acquiesced, and again within the year aggression against free peoples has increased, while not only in Spain, but also in Abyssinia and China, active resistance to alien domination in any form continues unabated in the face of enormous odds.

Can Britain afford to buy European appeasement at the cost of coloured unsettlement, in view of the fact that the British Commonwealth contains the largest coloured population in the world? The days have gone for ever when the East waited upon the West, the clock of progress cannot be put back, and the world is now one. However inadequately the framers of the Peace Settlement in 1919–1922 may have responded to their realisation of the necessity for a new world order, there is no escape to-day from a choice between an Alliance of Powers and an Alliance of Ideals.

As Mr. Eden has recently put it: "England must be a Great Power or nothing." She is a Great Power to-day on the basis of ideals, and only on this basis can she remain such.

CHAPTER VI

GERMANY'S COLONIAL DEMANDS

By THE RT. HON. L. S. AMERY, M.P.

*"It is the sinfullest thing in the world to forsake or
destitute a plantation once in forwardness: for besides the
dishonour, it is the guiltiness of blood of many commiserable
persons."*--FRANCIS BACON.

1. THE RISE OF GERMANY'S COLONIAL EMPIRE

THE overseas expansion of Europe in the last four centuries was, in the main, and for very simple geographical and economic reasons, conducted by the nations of the Atlantic seaboard. They were the first to develop oceanic commerce and exploration. Some of them, like Spain, France and England, had, at an early date, consolidated their European boundaries and developed strong, centralised governments. Others, like Portugal and Holland, found in oversea colonisation an outlet for their energies which their narrow home territories denied them. On the other hand, the two great nations of Central and Eastern Europe, Germany and Russia, chose instinctively and inevitably the line of continental expansion. Russia extended her territories, first to the Urals and the Black Sea, and then 6,000 miles eastwards to the Pacific. The German race, confined at the beginning of the Middle Ages to the comparatively narrow belt between the Meuse and the Elbe, extended steadily eastwards.

We are apt to forget that all of the present Germany east of the Elbe represents the conquest, colonisation and Germanisation of older Slav populations, or that the Sudeten population of Bohemia, now "restored" to Germany, is the result of a similar migration across the mountains into Slav territory. Apart from these extensions of the continuity of

German-speaking territory, German warriors and settlers pushed out and founded prosperous colonies far beyond their linguistic or political frontiers, in Moravia, in Hungary, in Transylvania, in Southern and Eastern Russia. Most important of these detached colonies was the Prussian monastic-military State which eventually came to exercise so great an influence in the Germanic world and to imprint its own peculiar characteristics upon German policy, but which only secured direct territorial connection with Germany as the result of Frederick the Great's seizure (since reversed by the Treaty of Versailles) of intervening Polish territories. Farther to the south the Habsburg dynasty, by marriage and conquest, extended the boundaries of German cultural, economic and administrative expansion to the Russian frontier and to the Balkans, an influence which Imperial Germany aimed at extending, through the control over a moribund Ottoman Empire, to the Persian Gulf and the frontiers of Egypt.

For a race engaged upon such formidable continental tasks—tasks involving so many political and strategical difficulties—to commit itself in addition to an adventurous policy of colonial expansion was a doubtful experiment. That, at any rate, was for long the opinion of Bismarck, who frankly disbelieved in the value of colonies and, with his knowledge both of the inevitable trend of things and of the temper of his countrymen, feared that the beginning of such a policy would lead to growing ambitions, which in their turn would lead eventually to conflict between Germany and Great

Britain, and dissipate and distract German efforts in any grave continental issue. On the contrary, it was with the deliberate motive of embroiling France with ourselves and with Italy, and so weakening her on the Continent, that he encouraged French colonial expansion. Then quite suddenly in 1884 Bismarck began seizing territories right and left, in Africa and elsewhere, in precipitate haste and in flagrant disregard of existing claims, mostly British, with the result that almost overnight Germany found herself in possession of the third largest colonial empire in the world.

The usual explanation of this sudden *volte face* is that Bismarck felt that by then some new demonstration of Germany's power was, for internal reasons, desirable after so long a period of peace, and that unless he took very prompt action to join in the colonial scramble, there would very soon be no corner of the world left unappropriated. Recently, however, in his *Germany's First Bid for Colonies*, Mr. A. J. P. Taylor has supplied conclusive evidence to the effect that Bismarck's action was really influenced primarily by considerations of Continental policy. He was anxious to reconcile France to the loss of Alsace-Lorraine in order to have his hands free in the East, and, characteristically, thought that the best way to bring about a Franco-German entente was by proving to France, then at loggerheads with us over Egypt and elsewhere, that Germany was her natural ally against British colonial "monopoly". So he set about to pick a quarrel with us over a petty trading concession on the South-West African coast. But what with the

mutual determination of the Colonial Office and the Cape Government to pass the financial responsibility for South-West Africa on to each other, and the invincible determination of Lord Granville, the Foreign Secretary, to ignore any affront for the sake of peace and goodwill, Bismarck found himself landed with a large arid territory which he had never really wanted, and without the desired quarrel. Much the same result attended his efforts to create friction with us in New Guinea and West Africa. And so the German Colonial Empire came into being largely as the by-product of a diplomatic manœuvre.

What is worth noting, as bearing on the Dominion attitude at the end of the Great War, is the fact that in almost every instance German occupation was in disregard of existing British claims or of the interests of adjoining British territories. British authority had already been proclaimed up to the Portuguese border by Cape Colony when the German annexation took place. In New Guinea a previous annexation by Queensland was vetoed by the Imperial Government. In East Africa there was already established a considerable British-Indian trading community, whose rights were not pressed by the Government of India and ignored at home. In the Cameroons local agreements or requests to come under British protection were set aside. In face of German "muscling in", the British Government throughout was anxious for accommodation and agreement, and eventually ceded even Heligoland as part price of an East African settlement.

The Empire thus acquired was on the whole a disappointment for Germany. In spite of heavy

expenditure on its opening out and equipment, it was run at a considerable loss, amounting even as late as 1913 to some £6 millions a year. As a source of raw materials or as a market for German exports it was an almost negligible factor in Germany's economic life. She drew from it in 1913 exactly 0·5 per cent.—one two-hundredth part—of her imports, and sent to it 0·6, or one one hundred and eightieth part, of her exports. As a field for actual colonisation it possessed little attraction for the ordinary German settler, outside a certain number of planters with capital. In the last ten years before the War, the average German migration to German Colonies was between thirty and forty, out of a total German emigration of 25,000 a year—in other words, only one German emigrant out of 600 or more chose a German colony to settle in. By 1914 the total German population of these colonies was under 20,000, inclusive of some 3,000 soldiers and police. The fact is that the German Colonial Empire, though extensive, was not very rich and, being mostly in the tropics, was not really a field for migration. Moreover, German military and bureaucratic methods of administration were not particularly attractive to those who had once left Germany for a freer life overseas, though planters may in some instances have preferred the more drastic methods of securing and punishing native labour prevalent under the German than under the British rule.

German rule, so far as the treatment of natives was concerned, cannot be said to have opened altogether auspiciously. The floggings and hangings of the notorious Dr. Karl Peters as Governor in

East Africa and the severities of Herr von Puttkammer in the Cameroons led to Parliamentary inquiries, and, in Dr. Peters' case, to trial and condemnation. It is, indeed, to the credit of the German Reichstag and, in particular, of its Liberal and Socialist deputies, that the abuses of the German colonial system were exposed, and that it became possible for statesmen like Dr. Dernburg and Herr Solf to bring about a great improvement in the years immediately preceding the War. But this very fact—confirmed by the experience of the Congo Free State—adds force to the argument against placing helpless native populations under an administration not subject to free parliamentary criticism. Often harsh under normal conditions, German administrators were too apt to believe in the value of merciless severity as the punishment for open resistance. The deliberate extirpation of the greater part of the Hereros in South-west Africa and of some 150,000 natives in East Africa after the Maji-Maji rising in 1905 were grave blots on the German record, and afforded ground for the charges, possibly over-emphasised, and no doubt too generalised, directed against German colonial administration at the end of the War.

Meanwhile the conception of colonies as the rightful appanage of a Great Power grew, and from the unsuccess of their colonial policy the Germans only drew the conclusion that their "place in the sun" was inadequate, and that they ought to have more and better colonies. It was that conviction which lay at the back of all the restless aggressiveness of German policy in the years before the War and

in particular, led to those naval programmes whose freely avowed object was, by our defeat at sea, to pave the way for Germany's expansion and domination as a World Power. The creation of a German African Empire absorbing the Belgian Congo, the Portuguese Colonies and the Rhodesias, and reducing South Africa to a German dependency, was freely discussed even before the Great War, and still more during the War itself. Even as late as the summer of 1918 the idea of a vast German *Mittelafrica* was not only still cherished in Berlin as part of the fruits of victory, but as a stepping-stone to vaster schemes of post-War expansion. To quote from a memorandum prepared for the Imperial Government by Emil Zimmermann:

"... the principal opponent of our expansion in the Pacific is Australia. But we shall never be able to exercise pressure upon Australia from a base in the South Seas; we might very well do so from East Africa.

"If we have a position of strength in *Mittelafrica*, with which India and Australia must reckon—then we can compel both of them (that is, Great Britain and the Dominions) to respect our wishes in the South Seas and in Eastern Asia, and we thereby drive the first wedge into the compact front of our opponents in East Asia."

To quote from a couple of passages from memoranda written by General Smuts in 1917 and 1918:

"German Colonial aims are really not colonial, but are dominated by far-reaching conceptions of world politics. Not colonies, but military power and

strategic position for exercising world power in future, are her real aims."

And on that basis, he defined British war aims as

"the destruction of the German colonial system, with a view to the future security of all communications vital to the British Empire."

When it came to the Peace Conference, General Smuts proposed at the very opening that

"having regard to the record of German colonial administration in the colonies formerly belonging to the German Empire, and to the menace which the possession by Germany of submarine bases in many parts of the world would necessarily constitute to the freedom and security of all nations, the Allied and Associated Powers should agree that in no circumstances should any of the German colonies be restored to Germany."

In the atmosphere of the time the reference to the darker sides of German administration was natural enough, even if it savours a little to-day of "unctuous rectitude", in so far as no colonial record has been entirely blameless. In any case, the main motive for the retention of the German colonies was security. It was not so much the actual danger from the colonies themselves that was envisaged, as the political danger which Allied, and especially Dominion, statesmen feared from the revival of Germany's world ambitions when she should recover from the immediate effects of defeat. There was the further fact that this security was attained without any vital injury to the German nation. There

was nothing in the cession of German colonies which would inflict an injury comparable to the loss of Alsace-Lorraine, or the Polish-speaking territories, including the Corridor, or of course comparable to what was done to either Austria or Hungary when they were carved up. There was, in fact, nothing beyond the ordinary verdict of history in this result to Germany of a war which, after all, did not start with a Belgian invasion of Germany.

2. GERMANY'S UNCONDITIONAL SURRENDER

By Article 119 of the Treaty of Versailles Germany "renounces in favour of the Principal Allied and Associated Powers all her rights and titles in her oversea possessions". This was the operative clause of the treaty, so far as Germany was concerned, and her surrender was absolute and unconditional. The division of the territories among the Allies was substantially on the basis of what each had conquered. President Wilson made no territorial claim for the United States, but was determined that the Allies' retention of their conquests should not go beyond the avowed objects of security and good government of the natives, and degenerate into the "annexation"—*i.e.*, exclusive economic exploitation—which he had repudiated in some of his speeches.

The Allies had no difficulty in accepting this point of view. Government in the interest of the native populations affected and on the principle of non-discrimination in trade had, in fact, been recognised

as the moral basis of the partition of Africa in the 'eighties, and had been solemnly accepted by all concerned, for the greater part of tropical Africa, in the Berlin and Brussels Acts. The conventional "Congo Basin Area" to which these Acts applied included German East Africa and the Cameroons, and it was only a relatively slight modification of the situation when, at General Smuts' suggestion, it was decided that the character of the future administration of the surrendered territories should be assured, not only by a formal undertaking given to and endorsed by the League of Nations, but also by an annual report presented to that body.

The general nature of the future "mandatory" system was outlined in Article XXII of the Covenant of the League, which itself was incorporated in the Treaty of Versailles. The League had, however, nothing to do with the actual allocation of the territories. It did not even frame the Mandates themselves, which were drawn up by the individual Allies, after consultation and agreement among themselves as to their general terms, and were then accepted by the League. A mandate thus constituted, on the one hand, a solemn undertaking on the part of the so-called Mandatory Power to govern on certain lines, and, on the other, the blessing or moral authority of the League to the retention of the territory already decided between the Allies. It differed only in detail and in degree, and not in kind, from any other obligation registered with the League, such, for instance, as the Treaty of St. Germain, which renewed the provisions of the Berlin and Brussels Acts for the rest of the "Congo Basin".

Area ", or the grievously neglected minority provisions under the Austrian and Hungarian treaties.

The Mandates have thus nothing to do with the sovereignty of the territories in question. The idea vaguely held in many quarters that these territories belong in some sense to the League, and are only held on a kind of tenancy, subject to good behaviour, and transferable on the authority of the League, has no foundation whatever in fact. Whether the ultimate sovereignty was, in fact, divided with the territories, as common sense would conclude, or whether, as some international lawyers hold, it still remains undistributed among the "Principal Allied and Associated Powers ", is perhaps more a metaphysical than a practical issue. What is certain is that, on the one hand, the division among the Allies was intended to be outright and permanent, and that, on the other hand, the United States, though not joining the League or ratifying the Treaty of Versailles, have insisted in a series of conventions with the Mandatory Powers (e.g., the Anglo-American Tanganyika Convention of 1925) that the terms of the mandates cannot be varied without American consent. The consent of the United States would thus clearly be required before any mandated territory could be transferred to another Power. The Anglo-American mutual obligation in respect of these territories is, in fact, both antecedent and superior to any British obligation to the League, though, clearly, we should be violating our obligations to that body if we transferred any mandated territory to another Power without an absolutely effective guarantee that such Power would

carry out our Mandatory obligations as faithfully as we have done.

So much for the past history of the question. Germany naturally accepted the decision with reluctance, and a certain effort to keep alive the demand for colonies persisted, but not on any large scale or with any great activity, for some years. When the question arose of Germany's admission to the League of Nations in 1926, this very point was raised by Herr Stresemann on the issue as to whether Germany was to be regarded as unworthy of holding colonies or mandates. The answer given was that there was no objection whatever to Germany having a mandate, if she had a territory with regard to which she was prepared to adopt that particular obligation. That was conceded to Germany readily enough, and since 1926 it has been perfectly understood that if, in some way or another, Germany should acquire a colonial territory, she is perfectly free to assume mandatory obligations with regard to it, and that her assumption of such obligations would be welcomed. There the matter stood until the advent to power of Herr Hitler.

Now, Herr Hitler in his book *Mein Kampf* and in his earlier speeches always very strongly put forward the view which Bismarck took many years ago, that it had been a fatal mistake on Germany's part to embark on a colonial policy at all, that Germany's destiny lay eastwards, that acquisition of territory on which the German peasant could settle by the hundred thousand was infinitely more important than acquisition of territory in the tropics, and that, above all, it was desirable to keep friends with

Great Britain. So far as he was concerned, Herr Hitler for a long time resolutely set his face against any revival of the colonial agitation in Germany. More recently, however, certain signs on the part of British public men, responsible or irresponsible, in speeches or letters to the Press, gave rise to the idea that we were not really sure of our moral position in having retained the former German colonies, and might be ready to consider some measure of retrocession in return for a general European settlement. That Herr Hitler should seize upon this sign of uncertainty in order to raise the colonial question, at any rate for bargaining purposes, was inevitable. Accordingly in his proposals for a general settlement which accompanied his military reoccupation of the Rhineland in March 1936 he indicated that, as one of the implied conditions of Germany's re-entering the League, "the question of colonial equality should within a reasonable time be clarified by friendly discussion," a vague phrase which might only mean what was already agreed to in answer to Herr Stresemann, but might also mean, if required, the return of the colonies.

Up to that moment every official declaration of the British Government, whether made by myself or by Sir Austen Chamberlain, or later by the present Lord Swinton when Colonial Secretary, had made it absolutely clear that there could be no question of our position in the mandated territories being in any way less permanent than in any other protectorate or Colony, or of our ever contemplating the possibility of retrocession under any circumstances. Even as late as 1935 Sir John Simon, at

his interview with Herr Hitler, had let him know that the question was "not discussable". But it would seem that as Germany became more capable of making trouble in Europe, the British Government began at any rate to toy with the idea that German designs in Europe might be bought off by some colonial concession. On April 6, 1936, the present Prime Minister, in answer to a question in the House of Commons, gave a reply which could not but encourage German hopes. He said that any question of a demand for the cession of any British colony or protectorate could not possibly be entertained for a moment, could not be open to discussion. But he went on to say that there was a clear distinction between colonies and mandated territories, and considered what possible conditions might conceivably make it within the field of discussion to consider cession of the latter.

Since then the German claim has been voiced with ever-increasing emphasis by Herr Hitler and the leading members of the Nazi Party. The whole weight of the Nazi movement has been placed behind the once-discouraged colonial propaganda, which has long ago ceased to be connected with any mere idea of "colonial equality" or with re-entry to the League of Nations. It is now a demand, as of right, for the unconditional surrender to Germany of all her pre-war colonies, coupled, sometimes, with the suggestion that if we cannot see our way to forcing the Dominions to give up their mandated territories, we might make good the deficiency by the surrender of equivalent territory in the shape of Nigeria, or by securing the cession of Belgian or Portuguese

colonial territory. In its latest form, indeed, the demand is for a proportionate share of space in the world, over and above the return of the former German colonies. So confident, indeed, does Germany seem of her ultimate success in getting her way that schools for training colonial administrators have been established, while the German residents in South-west Africa and Tanganyika are being steadily Nazified and organised in preparation for the eventual transfer.

The arguments upon which the German demand is based are of many kinds, economic, juridical and moral. The case, argued at first mainly on economic grounds and *ad misericordiam*, has progressively been advanced more and more as a matter of right and prestige and, in fact, *in terrorem*, by open menace, even though Herr Hitler at Munich could still suggest that it could be settled "without mobilisation". To deal with it I shall confine myself mainly to quoting from the writings of General von Epp, the veteran head of the German Colonial League, and from Dr. Seelhorst, the author of *Germany without Colonies*.

3. THE GERMAN CASE FOR COLONIAL TERRITORY

To begin with the economic case. According to General von Epp "the rising standard of living, which began to be prevalent in Germany before the War, is to be attributed to the possession and exploitation of colonies". The "cutting off" of Germany from importing necessary raw materials

from colonies of her own has had "particularly tragic results" upon her densely industrialised population. He contrasts Germany's "colony starved" situation with that of England, "in possession of" an Empire one hundred and five times her own size, or of Belgium or Holland, with Empires eighty and sixty times the size of their respective homelands. He goes on to suggest that "if the colonial injustice were righted, Germany would be able in time to absorb the rest of her unemployed". So, too, Dr. Seelhorst writes of the peace as having "interfered with the basic conditions of the people", and quotes as confirmation a fantastic statement made by Lord Rothermere in the *Daily Mail* that the peace deprived Germany of "sources from which before the War she imported 50 per cent. of her raw materials, and made impossible all emigration under the German flag".

Readers of the earlier pages of this chapter will remember that Germany only drew 0·5 per cent., or one hundredth part of the proportion stated by Lord Rothermere, from her colonies, and that only one German emigrant in 600 chose to go to them. It is, of course, equally incorrect to suggest that Germany, as a result of the loss of her territorial sovereignty, has been "cut off" from importing raw materials from her former colonies. The greater part of them—viz., Tanganyika, Cameroons and Togoland—are, in virtue of the mandatory undertakings of their present possessors, precluded from pursuing any policy of trade discrimination, at any rate as regards members of the League of Nations. Germany has continued to benefit by this provision,

even though she has thrown over the League. She is not only as free to buy, but as free to sell, in those territories, and the adjoining territories, as those who directly administer them. So far at any rate as most of these territories are concerned, she has had a favourable trade balance, and could therefore have bought more than she has if they had produced the materials she most wanted, or if she had not wanted other products more.

The current German answer in this connection, upon which not only General von Epp, but even Dr. Schacht, has laid great stress, is that Germany cannot afford the credits for buying materials in a nominally open market, whereas in a colony in which German currency were legal tender she could buy them with her "own money". No doubt Germany, by currency manipulation, could, in defiance of the spirit if not of the letter of the mandatory system, secure a practical monopoly of the trade of these colonies. But the whole of their export or import trade to-day is insignificant compared with the total volume of German trade. In 1929, to take a year when these colonies were most prosperous, their *total* imports from all countries amounted to 2 per cent. of Germany's total export trade. The slightest relaxation in Germany's economic policy of sacrificing butter to guns would make far more difference to her than that.

It is true that there is a widespread belief in Germany that a concentration of effort upon these territories would enable her to produce far greater results, and to do so without any expense beyond the use of her own currency—*i.e.*, beyond printing

more German mark notes. The fallacy there lies in ignoring the fact that a backward country cannot be developed by currency, but only by labour and by expenditure on capital plant. Now, the great obstacle to all African development is the shortage of labour. Any attempt at unduly forcing the pace—apart from the moral dangers involved—only withdraws workers from existing forms of production, and may even destroy the whole foundation of native subsistence economy. And as for the supply of capital goods in the shape of rails, bridges, locomotives, etc., Germany is already suffering from an excessive development in that direction, and her economic problem would, for the time being at least, only be aggravated by a policy of colonial development. One need not deny that in the long run German energy would bring about development in her former colonies, or in any other territory which Germany might acquire. But Dr. Seelhorst's argument that "Germany has an undeniable right to get back those territories which for her own existence she needs in increasing measure", is one which would carry one very far, and might be advanced by many other countries beside Germany.

It is often urged that, in spite of the free-trade provisions of the mandates, public contracts in the mandated territories are, in fact, reserved almost exclusively by the Mandatory Powers to themselves. This is true, but it must be remembered that these contracts are, in almost every case, provided by loans raised and guaranteed by the Mandatory himself. If some part of the £9,500,000 which the British Government has given or lent or guaranteed to

Tanganyika since the War has been spent on British-made rails, bridges and locomotives, that result, regarded purely in its economic aspect, might equally well have been attained by lending the same money elsewhere, or even by spending it on development at home.

When it comes to the sad plight of a people without space—*Volk ohne Raum*—it may be enough to remind ourselves that Germany boasts to-day that she has solved her employment problems so completely that she not only has to import many tens of thousands of Italian, Polish and other agricultural workers every summer, but that she is to-day trying to recall German emigrants, and even German maid-servants, from other countries to cope with the shortage of domestic labour. The fact is that the German economic case for colonial retrocession belongs psychologically, as well as economically, to the pre-Hitler era, and is no longer taken very seriously even in Germany.

The main argument to-day is that these colonies belong to Germany as of right, and that the time has come for the acknowledgment of that right. It is even advanced as a claim of legal right. Thus General von Epp :

“ When Germany brings up the question of colonies she is thinking only of her own possessions which the Treaty of Versailles arbitrarily placed under the enforced control of the League of Nations, for the latter in its turn to hand them over to the present mandatory powers. The German colonial movement aims at nothing more than the removal of this enforced control and the restoration to Germany of the right

of free disposal over her own colonial possessions. It follows that no other State will be injured in its territorial status by Germany's demand for her due."

This is, of course, so complete a travesty of the actual facts of the peace settlement, as described earlier, as to be hardly worth confuting. It entirely ignores Article 119 of the Treaty of Versailles, and assumes that the ownership of these territories was never relinquished by Germany, but that she only temporarily handed over their control to the League, which in turn assigned it to the Mandatory Powers as trustees for Germany! But presumably this part of the case is primarily intended for consumption in Germany, where its refutation cannot be published.

There is, no doubt, somewhat more force in the German contention that the Treaty itself was a violation of the understanding on which Germany asked for an armistice, in so far as she did so on the assurance that the terms of peace would be based on President Wilson's Fourteen Points, the fifth of which declared that in deciding the future of the colonies "the interests of the populations concerned must have equal weight with the equitable claims of the Government whose title is to be determined". The view taken by the Allies and by President Wilson himself was the not unnatural one that the right of conquest and, in most instances, four years of occupation constituted the first claim, and that, apart from the interests of the natives themselves, the question of equity mainly concerned the distribution of these territories among the Allies themselves. Naturally Germans could not be expected

to approve of that conclusion, any more than of many other conclusions embodied in the Treaty of Peace. What interpretation an impartial jury might have given to Wilson's Fourteen Points is, after all, irrelevant after such a lapse of time and when the Peace Treaty itself has been so profoundly modified, and in Germany's favour, by events. What is relevant is whether present circumstances in fact endorse the arguments which justified their retention in 1919, or have introduced some entirely new factor which should lead to a reversal of that decision.

Less convincing is the argument of the so-called "colonial guilt lie"—namely, that the colonies were taken away on the false pretence that they were maladministered, and that their retention implies a continuing charge of German unfitness to govern natives. That charge was, as a matter of fact, disposed of in 1926, when Germany entered the League and was declared entitled to undertake mandatory obligations if and when she might acquire a colony. Whether, on any fair estimate of the extent to which German standards of consideration, or even justice and mercy, towards other and weaker races have been affected under the Nazi régime, that admission of fitness to undertake a mandate could be made to-day is another question. It would certainly not be easy to reconcile the ideas of trusteeship or of progress towards self-government to which we are pledged under the mandate with the avowed purely self-regarding racial philosophy of Herr Hitler or Herr Rosenberg. In any case, as I have shown, the main motive for the retention of the German colonies was security. What may have been

said at the time, in speeches or even in correspondence, in disparagement of German colonial administration, whether fully justified or not, is no more an argument for retrocession than the grotesque exaggeration by Herr Hitler and the German Press of Czech "oppression" of the Sudeten Germans would be for the return of the Sudeten areas to Czechoslovakia.

For us the answer to this aspect of the German demand is a perfectly simple one. By right, first of conquest and then of solemn international undertakings, we have assumed responsibilities for the populations of these territories, which we have loyally fulfilled, and which we have no right to abandon. These people have now lived for twenty years or more—the lifetime of most of the younger generation—under British rule. They have been brought up under our traditions, and in accordance with those traditions, as well as with our pledges under the mandates, given such modicum of self-government as under present conditions they can usefully exercise, and encouraged to look forward to an eventual greater extension of such self-government. They enjoy, not only the protection of the Mandates Commission of the League, but the even more effective protection of free discussion of their affairs in a free Parliament. How can we, or for that matter free democracies like those of France or Belgium, hand over these people to a Government subject to no criticism or control, which has never concealed the fact that it has no intention of accepting the limitations of the mandatory system, and is only concerned with the recovery of these territories as

ministering to Germany's economic needs or Germany's desire for prestige? The domestic policy of other countries is no concern of ours so far as ordinary international relations are concerned. But when it comes to handing over millions of helpless natives to another rule, we are bound to ask ourselves what is the form and spirit of the rule under which they are to pass.

Last, but probably strongest of all the arguments in its appeal to the German public, is the argument of prestige. A great Power like Germany must have its colonial empire. To deny to it the right to possess what is enjoyed by other States, great and small, is to deny its status among the nations. The argument is one which ignores all the historical considerations discussed at the beginning of this chapter, and would open up a very wide field of controversy and conflict. If held valid in Germany's case, it should be no less valid in that of Russia or Poland or, proportionately, of every country that is at present without colonies. It is, indeed, a comparatively new claim. Germany was acknowledged the greatest Power on the European continent before she had colonies, and Austria-Hungary, her little less important partner, never aspired to any. Prestige apart, there is little to suggest that the possession of colonies as such is essential to national prosperity. In recent years the most prosperous country in Europe has been Sweden, thanks to a prudent and reasonably bold monetary policy. Holland, with an immensely rich and vast colonial Empire, has been, till recently, in a worse position perhaps than of her neighbours. Her colonies could not make up for the difficulties arising

from her adherence to an over-valued gold standard. Belgium, with an immense empire for her size, was facing the same difficulties till she devalued some three years ago.

The fact is that the desire for colonial empire is there, and, what is more, is no more likely to be satisfied by the re-acquisition of Germany's former colonies than it was by their original acquisition. If Imperial Germany regarded them only as an instalment or stepping-stones towards that wider world-empire which was to be carved out by the prowess of the German Navy at our expense, Nazi Germany, even more ambitious in its aims, and certainly not less wedded to the cult of expansion by the sword, is hardly likely to set her aims in that field less high, once the initial footing can be secured. When Dr. Goebbels speaks, as he did at Reichenberg on November 19, of the approach of one of those rare periods in history when the ownership of the world's surface is redistributed, and of Germany's duty to seize the hem of Fortune's skirt to take advantage of the occasion, his design may be presumed to have a much wider sweep than a mere restitution of the colonies which Germany found so inadequate when she possessed them. What is more, the design itself is now, by Herr Hitler's own avowal, only part of a wider confederate design, which is to enlist Italy and, presumably, Japan in the "redistribution of the riches of the earth" at the expense not only of the British Empire, but of France and, no doubt, also of the smaller Colonial Powers.

That such ambitions will not be appeased, but only stimulated, by concession, is clearly indicated

by our experience of German policy in the last three years. What is more important is that our power to resist fresh demands will be weakened with each concession that we make in the colonial field. That aspect of the matter is fully covered in the chapter by General Tilho, which deals with the strategical problems involved. Here it is enough to point out that the essential condition of our safety, if not of our very existence, lies to-day in the unity of the Empire, in our close and intimate co-operation with France, and in the goodwill of the United States. As for the position in the Empire, it may be assumed that we should not dream of bringing pressure to bear on either South Africa or Australia to give up territories which they have declared they mean to retain at all costs. But even the cession of Tanganyika, which is under our own direct control, would gravely imperil the security of South Africa, not to speak of the effect upon the British population of that and neighbouring colonies, who are prepared to resist surrender to Germany by every means in their power. Tanganyika, indeed, could not now be surrendered without breaking up the British Empire. In West Africa we could make no cession that would not gravely embarrass France and destroy the moral basis of our alliance, and that might not be regarded by the United States as involving a potential menace to South America.

To suggest that the German demand can be met by some fanciful and wholly unworkable scheme of international administration of the existing colonial possessions of this and other countries is a mere evasion of the issue. So, too, in fact, is any talk of

a colonial redistribution consequent upon German acceptance of some undefined scheme of general territorial settlement in Europe accompanied by all-round disarmament. The European settlement will come, peacefully or otherwise, when Germany's present urge for expansion finds its limit in accumulated external resistance or internal discontent. It is not likely to be affected one way or another by the colonial issue, except in so far as lack of firmness or of actual defensive power on the part of Britain and France might tempt Germany and her confederates to precipitate that issue by actual war. If so, it will be a matter, not of retrocession of the former German Colonial Empire, but of the existence of the British and French Empires as a whole. That wider issue will not be averted, but only brought far closer, by any policy of Danegeld masquerading as appeasement or restitution.

CHAPTER VII
THE AXIS IN AFRICA

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1. PRESENT-DAY SECURITY IN AFRICA

IT is strange that so many people in France should have only the vaguest idea of the importance of the French African Empire, while the majority of our friends abroad live almost in ignorance of it. The value of Algeria, Tunisia and Morocco may be appreciated, but much less is known of those territories extending without a break south of the Sahara, from Senegal to the Niger, Lake Chad and the Congo. Yet they have a population of 21 millions. If to this figure be added the 15 millions of North Africa and the 40 millions of France, a bloc of 76 million people is constituted, separated only by the Mediterranean.

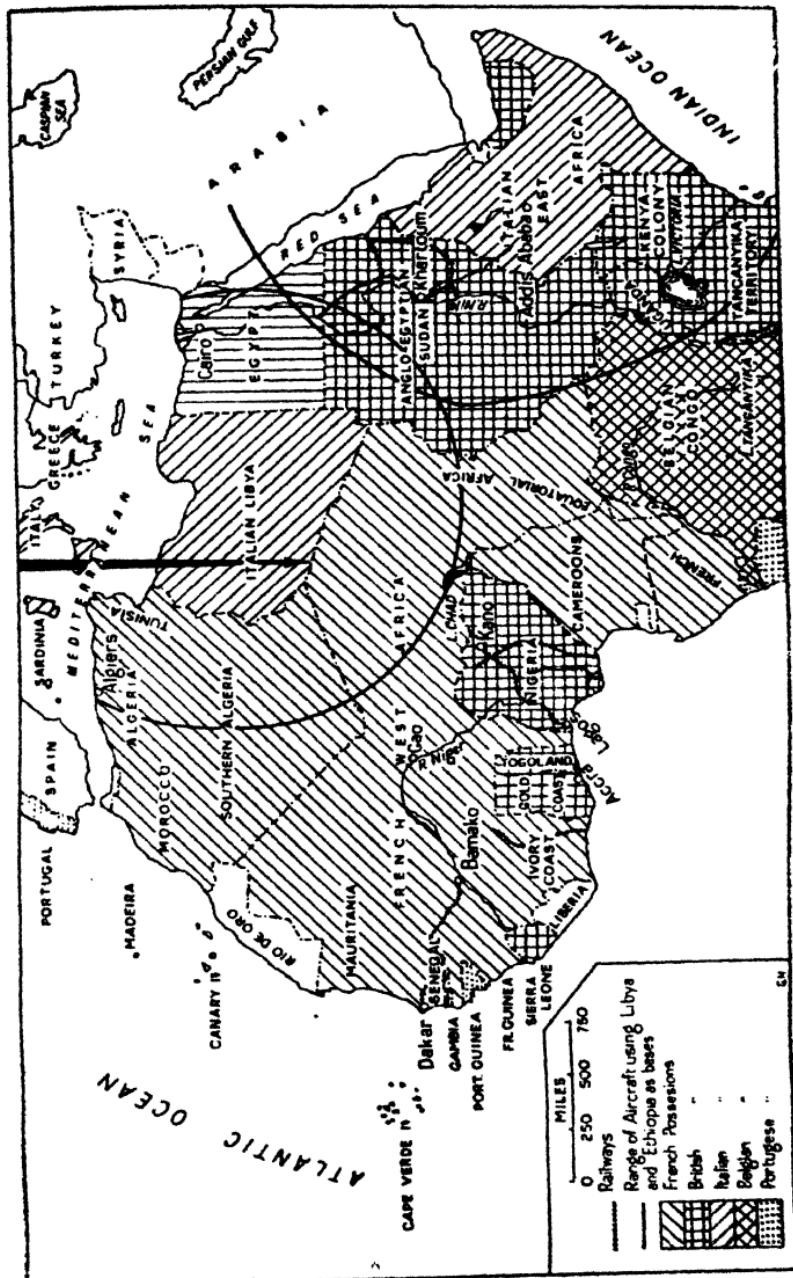
Herr Hitler, however, fully appreciates this point, and it is precisely to enable him to prevent these 36 million French and French-protected subjects from contributing to the national defence in time of war that he would like to induce France and Great Britain to make him a peace-time present of Togoland and the Cameroons, where, in the space of two or three years, military, naval, air and political propaganda bases of incalculable value could be established. Once this concession was made, London and Paris would have nothing left but to resign themselves to a war under the worst conditions, or to bow before the demands of Rome and Berlin: the march of Pan-Germanism towards world hegemony would

follow immediately and irresistibly. But in such matters words are not sufficient. Proof is required, and I shall therefore attempt to provide it. To do this it is necessary to examine the situation of the French bloc in Africa under the following circumstances: (1) if Togoland and the Cameroons remain under British and French Mandate, (2) if they are restored to Germany.

The accompanying map shows at the very first glance how compact and solid is the French bloc in Africa. Although there are several non-French territories jotted along its Atlantic coastline, it can be said that from the Mediterranean to the Congo, and from Senegal to the borders of the Nile, there exists no cleft through which, in time of war, an enemy could penetrate for the purpose of splitting it up. Of these non-French territories, the most important are the British—Gambia, Sierra Leone, the Gold Coast and Nigeria, with a total population of about 30 million inhabitants. Far from hindering the development of French Africa, they stimulate and strengthen its activity by virtue of their great economic vitality. Of the remainder, four are Spanish, comprising nearly a million inhabitants—Spanish Morocco, Ifni, the Rio de Oro, Rio del Muni; one is Portuguese Guinea, with a population of 400,000; the last is the Republic of Liberia, comprising two million inhabitants. None of these territories provides a convenient way of penetrating into the interior of the Continent, and could not, therefore, seriously compromise the political stability of the French bloc, except perhaps in the case of Spanish Morocco were the Spanish Nationalists

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to take sides against France in a European conflict. I shall deal with this question later.

Flanked on the Atlantic side by rich British possessions, backed on the south by the Belgian Congo and the Anglo-Egyptian Sudan, and isolated from Italian Libya by desert wastes, the French bloc in Africa is thus well secured. The Berlin-Rome axis, extending to the south of the Mediterranean, stops at the northern border of the Sahara, approximately in the neighbourhood of the Maurzouk Oasis. This security is of the greatest importance. It is worth recalling that less than a year before his death, the famous German strategist General Ludendorff wrote: "If, in present political circumstances, a World War were to break out, North Africa, as a field of action, would become extraordinarily important despite the fact that a decision would, in any case, be reached on the battlefields of Europe ", adding that " it is clear that if Mussolini should proclaim himself protector of Islam, the Berlin-Rome axis would gain added strength ". The plan of operations envisaged by General Ludendorff could, at present, only be put into execution in two sectors—namely, on the Tunis-Libya frontier in the west and the Nile Delta in the east. On the Sahara and Lake Chad side the enemy forces would be restricted to minor operations, with negligible results. The bomber machines stationed in Libya would have little to gain by bombing relatively insignificant military objectives scattered about the Sahara.

Consequently, French Africa would be in a position to send all its available fighting forces to the European

fronts and concentrate on the production of raw materials used in the national defence. It would enjoy free communications across the Atlantic, even if the enemy were in a position to use secret bases in certain islands or sections of the coast, bases which it would no doubt be easy to locate and neutralise. In existing circumstances the extent to which the Powers of the Berlin-Rome axis could wage a short and successful war depends upon their ability to strike a quick and decisive blow on the European battlefields. If they were unable to do this, the powers of resistance of the Franco-British group, augmented by the full support of their respective Empires, in particular their African Empires, would change the whole character of the war. In a wearing-down process, we would probably have greater chance of holding out to the end. If we admit that Hitler's fear of losing the war is that most likely to deter him from his desire to smash the enemy in the west, then it may be accepted for certain that one of the best guarantees of peace is the maintenance intact of the present political position in Africa.

2. IF GERMANY OWNED THE CAMEROONS

Matters would be very different if France and Britain allowed themselves to be persuaded into handing back to Germany Togoland and the Cameroons. The Cameroons, once more German, would penetrate like a cone into the southern flank of French Africa, as far as the interior of Lake

Chad: they would only be separated from Italian Libya by a stretch of desert about 625 miles wide, which could easily be crossed by motor-car or aeroplane. If war were to break out in Europe, sections of the French Camel Corps, which in peace-time maintain order among the nomads of the desert, would be caught in a pincers movement. A few raids by aeroplanes from Libya and the Cameroons would suffice to destroy almost immediately the Camel Corps supply depôts at Chirfa, Bilma, Faya, Zouar and Nguigmi. These desert posts are only block-houses built of dried clay, which mechanised enemy groups would then rapidly occupy. The French bloc in Africa, already shorn of Togoland and the Cameroons, would then be sliced in two. A regular liaison by car and 'plane would be established between the coasts of Italy in the Mediterranean and the German coast in the Gulf of Guinea. The Berlin-Rome axis would become about 1,250 miles longer, reaching as far as the Belgian Congo and Portuguese Angola, and threatening South Africa. By a line running from Lake Chad to Ethiopia, it could seriously imperil the security of the Anglo-Egyptian Sudan and the whole of the Nile Valley. Have our "cessionists" never realised this?

But that is not all. If one calculates the zones which could be swept by enemy bombers from bases in Ethiopia, Libya, the Cameroons and Togoland, it will be seen that, with the exception of a strip of territory along the Atlantic seaboard, between Liberia and Morocco, half of which is desert, all the vital points of French Equatorial Africa and

French West Africa would come within bombing range. Nor would Nigeria and the Gold Coast escape. At the same time, German aeroplanes based on Togoland and the Cameroons would occupy a central position, enabling them to strike suddenly and at will on all sides, to the north, south, east and west. In the early days of the conflict only a very small number of German squadrons would therefore be required to destroy the French and British ports and docks along the west coast of Africa, as well as buildings of artistic merit, warehouses and railway stations. The territories served by these railway lines would thus be deprived of their essential means of transport. Their communications with the sea would be extremely difficult, if not impossible, and all shipments of troops and raw materials to Europe would be stopped.

But, it will be argued, cannot these rich and well-populated territories be defended? Certainly there are means of doing this, but only on condition that France and Britain, far from counting upon support from the territories in war-time, take steps immediately after the cession of Togoland and the Cameroons to prepare a costly system of ground defences, both active and passive, comprising the dispatch of large numbers of pursuit and bombing-planes, together with a large technical staff and flying personnel. Have the advocates of returning the former German colonies realised that because of the way in which the many vital points to be protected are so widely dispersed, France and Great Britain would be obliged to send an Air Force at least ten times the size of that which Germany and Italy would send to West

and Central Africa? These squadrons would have to be drawn from the Home forces, and everybody recognises that the latter would need all their resources, and perhaps more, in the event of a European war.

From the political standpoint the return of Togoland and the Cameroons would be none the less disastrous, since it would give Germany ample facilities for organising vast anti-French propaganda south of the Sahara. Propaganda of this sort has already done a considerable amount of harm in North Africa, and is still being attempted.

The black races of Africa have so far been immune from this sort of agitation, would-be agents lacking both convenient means of access and favourable centres for propaganda where other agents could receive training and popular movements could be started. Religious faith is not very strong amongst the black races. The negroes have never formed a nation in the accepted sense of the word and patriotism, as we know it, has yet to make its appearance. Their greatest ties are those of race, but to-day there are large numbers who, apart from being proud of their race, are proud to belong to the French community, and take pride in having participated in the conquest and pacification of the vast territories stretching from Senegal to the Niger, Lake Chad, the Cameroons and the Congo.

However, it must be remembered that France's African subjects, whether Moslem, Christian, or idol-worshippers, are attached to France mainly because they are confident in her strength and the protection which she affords. They have a very high sense

of what honour among their leaders should be, a notion which their simple minds place higher even than military honour. Abdication, any surrender of territories and peoples not justified by the verdict of the battlefield, appears to them to be the lowest form of cowardice. It is possible to imagine, in these circumstances, how astonished they would be on learning that Togoland and the Cameroons, wrested from the Germans at the price of a long and hard campaign, had been peacefully restored to the vanquished at the command of the German Chancellor! To all our African subjects such an act would signify that France and Great Britain, having disavowed their heroes and their dead, were trembling before the German might. Hitler is well aware of this. He knows that this blow to British and French prestige in Africa would be even more shattering than the one he delivered in Central Europe. What a marvellous impetus to German propaganda! Hitler's innumerable and carefully trained secret agents could worm themselves in everywhere and reach the most isolated villages, bringing news of the Franco-British abdication to some of the remotest tribes of Africa. In this way they could revive the grudges and the hopes of certain malcontents, fostering a rebellion timed to break out during the first hours of mobilisation. Instead of receiving from her African Empire the reinforcements in men on which she can now count, France would be forced either to allow the rebels a free hand, supported and advised by German Agents, or to withdraw troops from the European front so as to maintain order in Africa.

3. IF GERMANY HAD AN AFRICAN NAVAL BASE

This is, briefly, the true meaning of the German colonial claims, reduced solely to Togoland and the Cameroons. Their effect upon the destinies of France and Great Britain should by now have been made obvious to all. Yet nothing has so far been said of a still greater menace—the interruption of sea communications.

In the present circumstances there is no doubt that British and French merchant vessels attempting to cross the Mediterranean, even under escort, would run grave risk of being sunk or severely damaged by the Italian Fleet and Air Force. The Suez route would virtually have to be abandoned, and the longer but safer route via the Cape of Good Hope used instead. Against this, Italy would be practically blockaded in the Mediterranean, and we would only have the German Fleet to face in the Atlantic. What could it do? Its only base near the Atlantic is Wilhelmshaven, in the eastern extremity of the North Sea. To leave the North Sea, its submarines and cruisers would have to sail round the north coast of the British Isles. However great their range, they could not remain for long in the vicinity of Morocco and Senegal without running the risk of being unable to return to Wilhelmshaven in time to take on new supplies or of being pursued by a more powerful enemy. It has been argued that they might take on new supplies from cargo-vessels or repair to secret bases established in African or European territories belonging to other Powers. However, these are only hypothetical cases, and some-

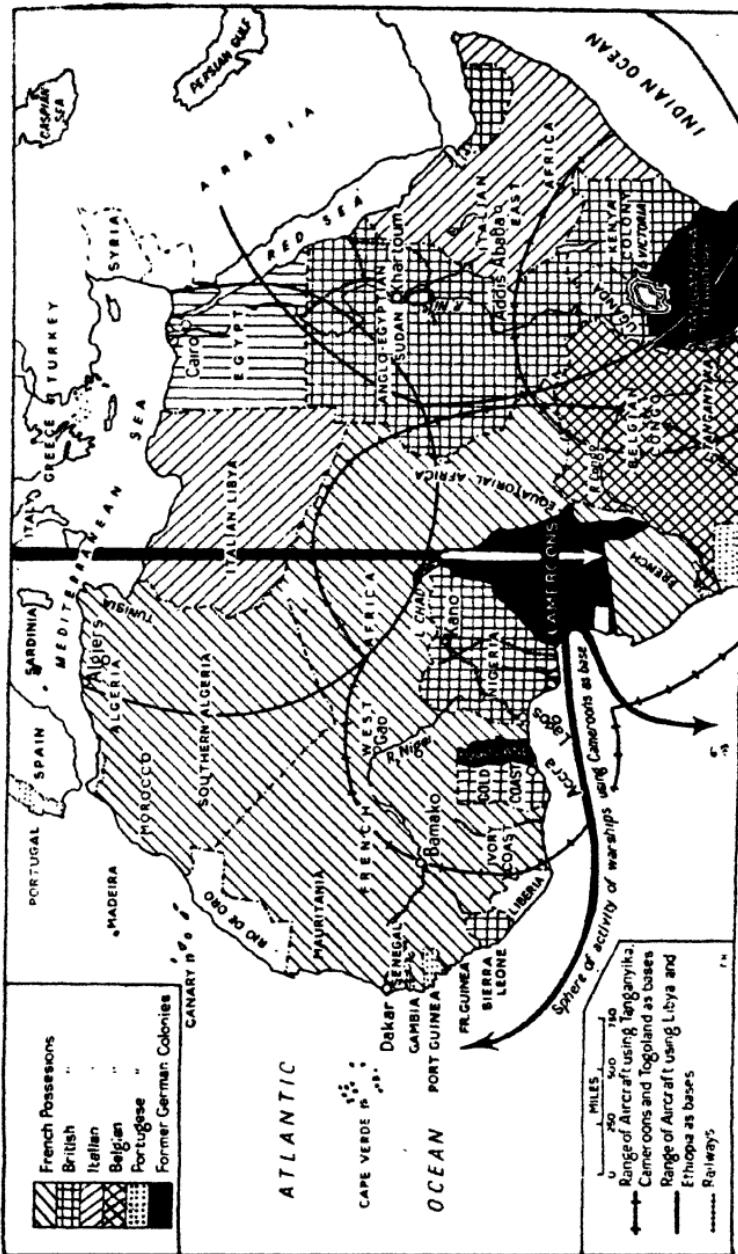
what improbable. Such improvised solutions of the supply problem could not, for any length of time, prevent British and French troopships coming from West African ports, from the Indian and Pacific Oceans via the Cape, or from South America, from entering the central and southern sections of the Atlantic Ocean.

From the naval, as well as from the military, political, and aeronautical points of view, the maintenance of the *status quo* in Africa is therefore one of the safest guarantees of peace. As matters stand to-day, command of the Atlantic gives the Franco-British group command of the seas. And he who rules the waves has the last word in a war of attrition.

On the other hand, if Germany were to regain possession of Togoland and the Cameroons, it is clear that the strategic position would be completely reversed in favour of the Rome-Berlin axis. The coast of the French Cameroons is almost equidistant from the British bases in South Africa and the French naval base at Dakar. In addition, this part of the African coast possesses a fine natural harbour in Duala. This port is situated at the head of the estuary of the Cameroon river at a point where the latter is joined by the Wuri River, its principal tributary. The attached sketch shows its privileged position and the great importance which it would assume if, at some future date, Germany were to regain possession of it. At the point where it flows into the ocean, the estuary is only about 4 miles wide, whereas higher up its width varies between 6 and 19 miles. The central channel,

THE AXIS IN AFRICA

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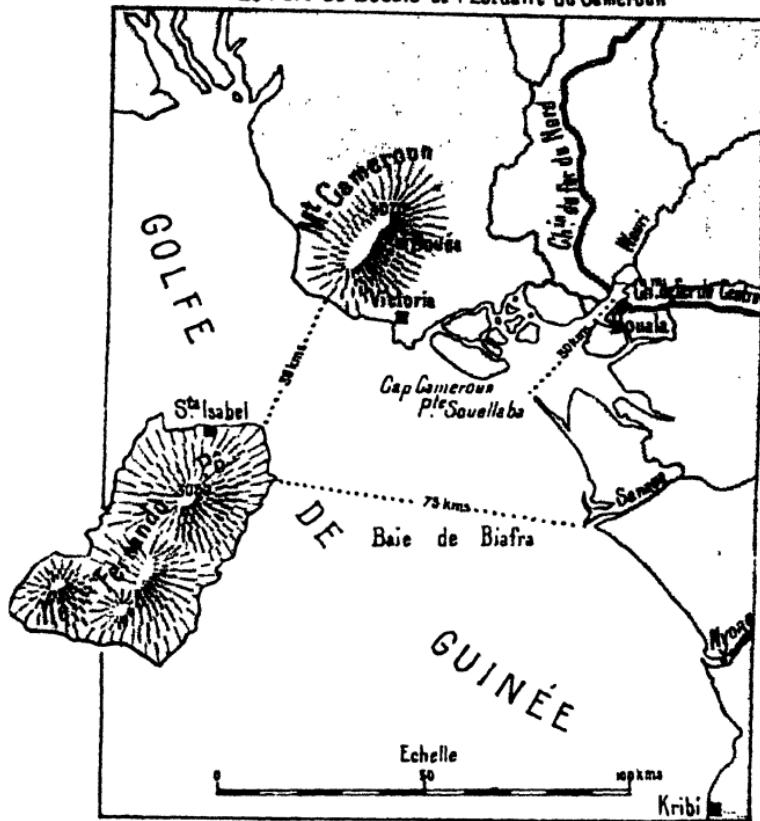
which is accessible to vessels of 10,000 tons, is about 19 miles long, and could easily be widened and deepened. The whole constitutes a large sheet of water dotted with islands and peninsulas where hundreds of seaplanes and submarines could find shelter. In Duala itself ample facilities are provided for the handling of ocean-going vessels and barge traffic. In addition, there are workshops, warehouses, powerful cranes and railway lines which run alongside. The port is well equipped to cope with present-day traffic, and there is ample room for expansion in case of need. In brief, it could easily be transformed into a naval dockyard. It is linked with the hinterland by excellent roadways which supplement and complete the railway communications going north and towards the centre.

Moreover, it is important to note that the entrance to the vast estuary of the Cameroon is covered by the large Spanish island of Fernando Po. The highest peak on this island is over 9000 feet, and is a prolongation of the volcanic group in the Cameroons, where the average height is about 12,000 feet. Fernando Po is separated from the mainland by two straits: to the north their shortest width is about 19 miles, to the south about 50 miles. It is hardly necessary to add that with a few minefields, short- and long-range coastal batteries, submarines and seaplanes, the military port of Duala could be made impregnable. Could a better harbour for the purpose be found on the whole coast of West Africa, a site more favourable for the establishment of a central base for marine, submarine and air marauders, enabling Germany

to patrol all the sea routes of the Atlantic between Central Africa and South America?

It is probable that those who have recently recommended the return of Togoland and the Cameroons to Germany as a generous solution of the European problem, have never looked carefully at a map showing Europe, Africa and the seas that link them to the rest of the world all together. Had they done so, they would have seen that if, in the present condition of Europe and Africa, a war were to break out in Europe, Germany, with her sole Atlantic naval base at Wilhelmshaven, would perhaps be in a position to harass our lines of communication in the North Atlantic. But the damage she could do in the Central Atlantic would be small, and in the South Atlantic still smaller. Whereas, if France and Great Britain were to make Germany a peace-time gift of Togoland and the Cameroons, the German fleet, in time of war, would be in a position to intercept a good percentage of their sea communications in the Atlantic, from the North Sea to the Cape of Good Hope and the Magellan Straits. With the Mediterranean route made impracticable by Italy, the Berlin-Rome axis would then be able more or less completely to blockade France and Britain. Moreover, in this way the axis would have averted the danger of seeing these two Powers oppose a brutal aggression with an indefinitely prolonged resistance.

Le Port de Douala et l'Estuaire du Cameroun



4. THE TRUE MEANING OF GERMANY'S DEMANDS

Viewed in this light, it is impossible not to realise the true motive behind the German claim for colonies. Obviously, the best way to provoke war against our two countries would be to present a would-be aggressor with the strategic bases of Togoland and the Cameroons, thereby giving them a fair chance of winning the war. The German colonial claims are aimed mainly at the dismemberment of the French Colonial Empire. Under pretext that her honour must be avenged, Germany demands that her former colonies be returned to her, but in reality it is because she wishes to use them as naval and military bases which, in war-time, would give her command of Africa and control of the Atlantic Ocean. Some short-sighted pacifists maintain that it would be madness on the part of Great Britain and France to risk war with Germany for the sake of lands so far distant. These people can only be agents of Pan-German propaganda, some no doubt unwittingly, but others actually in the pay of Germany. Fortunately, France has come to realise that this question of colonial claims is not merely one of bargaining away certain tropical territories—in any case a shameful action—but a matter of life or death for her. She will not allow herself to be duped or further blackmailed under threat of war. France knows now that Hitler is sufficiently wise to think twice before being condemned by the world at large as an aggressor whose sole purpose was to bring three or four million African natives back to the

German Fatherland, natives which he contemptuously calls “ half-monkeys ” !

During recent months France has regained confidence in herself and in her strength. She realises that she is not merely a European Power with a population of 42 millions, but an Empire of 108 millions—a Greater France proud of British friendship, and only too willing to gain the friendship of a greater Germany and a greater Italy. But she would reject any friendship were it to entail sacrifices similar to those made in the case of Czechoslovakia.

The natives of Togoland and the Cameroons are not of German race or language. They are black, and wish to remain under the guardianship of France and Britain until such time as they are capable of self-government in accordance with the principles of international law and of civilization. Have we the heart to hand them back to collective bondage by delivering them into the hands of a Government whose anti-scientific, anti-religious and anti-moral dogmas form part of a racial theory elevated to the rank of a State religion, as fanatic and intolerant as it is mistaken and violent ?

We must never tire of repeating that France passionately desires peace—peace with honour and security, not in abdication and servitude. That is why on November 16, 1938, the French Government, in response to the wishes of a public legitimately perturbed, published a statement affirming that it was determined to maintain the integrity of the Empire as constituted at the end of the Great War. Two days later, when asked by a parliamentary

group whether this declaration was meant to include all the French mandated territories, the Prime Minister and Minister for Foreign Affairs replied categorically in the affirmative. Thus, on November 16 and 18, twenty years after the signing of the Armistice, M. Daladier and M. Bonnet made a valuable contribution to the consolidation of European peace—a peace which, to all Frenchmen, is inseparable from the dignity, strength and moral grandeur of our country.

5. THE DANGER FROM SPAIN

I have been asked by the compiler of this book to deal briefly with the hypothetical case of a complete victory for the Spanish Nationalists, on the assumption that this victory would, in the event of a European conflict, place the Spanish forces, and more particularly Spanish military, naval and air bases, at the disposal of the Rome-Berlin axis.

In the first place, it is not at all certain that if victory fell to the Nationalists, General Franco would wish, or, for that matter, would be able to plunge Spain into another war, in view of the sufferings and destruction wrought by the civil war. However, let us admit, for the sake of argument, that he does submit to the will of the German and Italian Dictators and becomes a third enemy of France. The frontier on the Pyrenees can only be crossed by means of narrow passages between the mountains and the sea, and is easy to defend. There is no reason, therefore, to fear a threat of invasion from that quarter. The only danger would be

aerial bombing of towns in South-west France by German and Italian machines operating from basis in Spanish territory. The most Spain could hope for would be reprisals.

It has also been said that in certain Spanish ports on the Atlantic coast, and even in the Canary Islands, Germany has prepared submarine bases which would enable her, in time of war, to intercept the sea communications of France and Britain and curtail their supplies. This would, no doubt, complicate the problem of home defence, but the French and British fleets would not remain inactive. Anti-submarine warfare, so happily perfected in 1918, would bring bitter disappointment to the Italian and German naval staffs. To this hindrance to our maritime traffic would we not be justified in retorting with the blockade of the Peninsular ports? If the Atlantic is closed to her of her own doing, how is Spain going to obtain supplies? Certainly not from North Africa or Italy!

On the other hand, even supposing that Germany and Italy were in a position to make more or less complete use, in war-time, of the Spanish possessions along the West African coast, they could hardly hope to cut off altogether the central and southern portions of the Atlantic, as the Spanish possessions lack good means of access to the interior and must receive supplies by sea. Under these conditions, how long could the German forces occupying these territories hope to remain there if they could expect no assistance from the German fleet, and when French and British ground forces would be converging from all sides on their centres of resistance? This is the perfect answer to those who would say

that it is useless to refuse to return the former German colonies, since Germany is already colonising Spain. Her ascendancy over this unfortunate country and her colonies can only be of a precarious and uncertain nature so long as, together with the integrity of our Empire, we are able to retain the confidence and devotion of our African population. All the more reason, therefore, why we should on no account agree to the bartering of negroes by handing back the natives of the old German colonies to their former masters. The stronger the German and Italian pressure on Spain, the greater becomes the necessity for France and Great Britain to hold on to Togoland and the Cameroons, and to oppose any attempt on the part of the Third Reich to gain a foothold in Spanish Africa.

What, in my opinion, would be far more serious in the event of a complete victory for the Spanish Nationalists, would be not so much their entry into the war (this would enable us to take vigorous action), but rather an insidious and malevolent neutrality—particularly if, in peace-time, certain Spanish possessions in Africa were to be ceded to Germany in return for services rendered to the Nationalist cause. In that case nothing could prevent these territories from being fortified and organised into bases where the necessary food, munition and fuel supplies could be stored in large quantities and repairs effected. These bases would also serve as rallying-points for ground forces, air squadrons, submarine flotillas, torpedo-boats and destroyers. True, in Spanish Guinea, Fernando Po, the Rio de Oro or even in the Canary Islands, Germany would not find the same facilities as she

would in Togoland and the Cameroons. There is nothing to compare with the port of Duala or the estuary of the Cameroon. It would not be possible to create bases for political propaganda. Nor would she be able to co-ordinate the movements of her troops and Air Force with those of her ally in Libya and Ethiopia. But these footholds, before being destroyed, could cause serious trouble to our ground forces and to vessels escorting convoys of merchant ships.

The possibility of Spain ceding territory to Germany and Italy is not so fantastic as it may seem. It will be remembered that in 1899, after having lost the Philippines to the United States of America, Spain did not refuse to sell the Caroline Islands, Palaos and Marianne Islands under pretext that she no longer felt able to defend them! General Franco's debt is a heavy one, and we all know that although willing to receive, Germany is not in the habit of making gifts!

For the safety of France and Great Britain, and if peace is to be preserved in Europe, the Spanish civil war should come to an end as soon as possible, without vanquished or victors. Every effort should be made to see that the German and Italian troops are withdrawn without delay. They should no longer be able jealously to keep alive the rivalries and the hatreds in the Iberian Peninsula. Spain must be allowed to work out her own destiny and we, on our part, must be watchful lest the smallest part of her territory, either at home or in her oversea possessions, be wrested from her in payment of debts for which she is not responsible.

CHAPTER VIII

WHO'S WHO IN NAZI GERMANY

By STUDENT OF GERMANY

Adolf Hitler (50).—Arguments as to whether he really decides, or is under the influence of this or that individual, are irrelevant, because they ignore the fundamental hero-worship of National Socialism with Hitler as its incarnation. He has identified his personal struggle with that of Germany, and this has enabled him to succeed. Essentially composed of hates and enthusiasms, he draws his power from the masses whose hates and enthusiasms he interprets. Knowledge of this has given him a great stamp of authority when in repose; but when he works himself up into his almost demoniac frenzy, for anyone not afflicted by mass-hypnosis the illusion disappears, and it is clearly brought home to one that he is suffering from a serious psychological disorder. Physically he has serious weaknesses, and after periods of extreme nervous excitement, dangerous relapses set in when he lacks will-power or judgment and is easily influenced by those who happen to be round him. This has been noted more than once after his outbursts of energy. He has, however, undoubtedly great powers of intuition and judgment in selecting the right moment for the right move: this un-German finesse and imagination are probably due to his Austrian origin. Having mastered the technique of mass-hypnosis, he has now become the slave of his own ideology, and the great question arises: What will happen when his own hates and enthusiasms and those of the people begin to diverge,

as there are signs that they are doing now? With every move that wiped out an "injustice" of the Versailles Treaty, Hitler was at one with his people. But with this political capital now exhausted, perhaps nothing can bring Hitler quite so close to the people again.

Although his thoughts and actions appear often inexplicable, yet his nature is simple: he has been, with justification, compared to Joan of Arc. Like her, he hears voices, and being convinced that he is sent by Heaven, he contradicts himself with absolute sincerity, and leaves it to his experts to explain away such contradictions. Because he is absolutely sincere in his assertions, he convinces those of his interlocutors who do not know his peculiar psychology. He now more and more frequently and definitely ascribes to himself a Messianic rôle—it is even said that a recent speech containing the phrase ". . . and then unto us was born a child in Braunau" was suppressed by Goebbels and Himmler. This same Messianic complex makes him personify all real and possible obstacles and oppositions and work up a furious hate against individuals—Schuschnigg, Benes and Winston Churchill. This attitude has lately been enormously enhanced through megalomania, because he is now more than ever convinced, through continuous success, that he is right. Secret fear of failure makes him vindictive and furious at being thwarted. Even a small deviation from his plans will throw him into ungovernable passion. He is still dreaming of a Greater Germany, and the limits of this dream cannot yet be seen. Although to most people in

Germany the hates of Versailles have been satisfied, yet Hitler still seems to be fighting the last War, which he wishes to prove to the world Germany did not lose. He therefore feels he would like to "blood" his new Army, to win a great victory and to dictate a peace.

But, at the same time, Hitler is a man of the people and feels their sufferings, and so might well recoil from plunging them into a general war unless his judgment becomes completely blinded. Should he be involved in such bloodshed, and be unable satisfactorily to fix the responsibility on anyone else, then a terrible mental conflict might break out in him. His present choice is hard: what new hates or enthusiasms can he manufacture? On the other hand, if the solution is a gradual retreat from such fresh hostility and a peaceful collaboration, then the Hitler Movement might no longer be needed. How could this be reconciled with the revolutionary enthusiasm of the leaders and with Hitler's own mentality?

We thus are faced with a Hitler at heart probably not wanting lasting appeasement, feeling that Britain is ultimately Germany's rival, and angry with Chamberlain for thwarting him from entering in triumph "that old German City of Prague" and for securing his signature to a declaration of peace. He is annoyed with his advisers, and even with his people, because the temper of the latter was unmistakably shown to be fearful of war, and perhaps for the first time, he felt he could not rely upon the nation's blind obedience. He is thus in a dilemma: his success more than ever convinces him that he is

the Man of Destiny with a divine mission, and his self-glorification has, therefore, probably increased. But his will did receive a check, his vision is still unfulfilled and his prestige at one stage began to falter. All this he must resent. He may, for the time being, desire friendship with Britain, but only friendship based on his own political philosophy.

Field-Marshal Hermann Goering (46).—Economic Dictator, Admiral of the Air Fleet, Prime Minister of Prussia, etc., etc. Even if all other of Goering's achievements are forgotten, he will be remembered as the only Nazi leader who had a sense of humour and enjoyed a joke. And this, quite apart from establishing the possibility of human relationships both with individuals and masses, inside Germany and outside, is of inestimable value in preserving a sense of proportion and reality in a movement composed of mysticism, fanaticism, earnest striving, intense self-pity and worship of regimentation. Even if most of the stories about him are untrue, some undoubtedly are true, and others not outrageously improbable; while most are enjoyed by him. It is this human touch, together with his uniforms and ribald humour, which win him wide support among the common people. Add to that considerable personal charm, as well as hearty good-fellowship, ready willingness to help those he likes or considers unjustly treated—often without regard to position or race (there are a number of cases of Jews whom he has protected)—great personal courage, excellent war record, good intelligence and sound judgment and first-class organising and administrative ability; and it will be understood why he has won a position of enormous

respect and influence far and wide in Germany and also abroad. Whatever may have been the physical and mental abnormalities and excesses of his earlier life, he has certainly grown so rapidly in political wisdom as his authority has increased, that he seems to have outlived the past and to overshadow by his merits his notorious present extravagances. It is significant that he, of good birth and upbringing, has his ostentation of luxury condoned by the masses as a fair reward for his hard work and efforts, while Goebbels' similar extravagances arouse condemnation and hostility.

He has for some time past, consistently advocated a moderate policy, and was steadfastly against aggressive or wild adventures. In this he has unfortunately been shown to be wrong by events, and especially so in the Crisis, when he was vigorously opposed to military action because convinced it would lead to disaster. (This attitude, incidentally, would explain why he had, earlier in the year, given a solemn pledge to the Czechs that they would not be attacked.) The crisis was, in a sense, a triumph for the extremists, and Goering's influence suffered so much that he has, with considerable political adroitness, side-stepped out of the political limelight. But, at the same time, the masses—with whom he has long been popular—realised that he was *the* vigorous German worker for peace, and acclaimed him as a constructive statesman in contrast with the revolutionary leaders: an acclamation which was to Hitler's detriment and, consequently, annoyance.

Goering has often been criticised for his truculent

speeches and brutality. It is true that his speeches are extravagant, and often unprintable in full in more civilised countries. But they are known by his hearers to be wildly exaggerated, and are consequently strongly discounted. He may be coarse and cruel, and act violently; but this is usually for some good reason of strategy or tactics, and he always tries to avoid or repair unnecessary damage and to further a constructive policy. He is no mystic, but feels and acts as an extremely powerful man. As such, he greatly admires Mussolini, likes Balbo, and envisages the German-Italian relations in a realist sense. Just as Dr. Schacht was the financial *condottiere*, so Goering is the political one, both in the best sense of the term. Unquestionably the acknowledged head of the moderate elements in the régime, and finding wide acceptance and support in the old Army circles, the Civil Service, the aristocracy, *bourgeoisie* and industry, as well as among the masses, he would be the obvious successor to Hitler if it were not for the fact that he is emphatically no longer the revolutionary leader, and therefore could not keep the Party together. For a long time he has been at variance with the revolutionaries—at first Goebbels, and now more probably Himmler. Should Hitler die, or be likely to do so, it seems probable that a short, swift struggle for supremacy would take place. Goering is now more of a statesman than gangster, so the scales may be somewhat weighted against him.

Heinrich Himmler (38) is perhaps the most powerful man in Germany to-day—certainly the most dangerous and universally feared. A school-

master by profession, a theoretical doctrinaire socialist, rigidly honest and scrupulously correct, yet completely cold and ruthless, he is the Robespierre of the German Revolution. He seldom speaks in public or appears in the limelight, but at all important functions his sinister figure may be seen at Hitler's side, just in the background. With well-laid plans, inflexible will-power, uncompromising attitude and remarkable efficiency, he has, step by step, built up and acquired control of the whole State machine in all its ramifications; he is above the law, the Services, the Party—perhaps even Hitler himself. He represents the Socialist element of National Socialism and desires a state of revolutionary tension, because then he can exercise to the full the rigid and ruthless control in which he fervently believes. The actual details of his schemes are carried out by his not too scrupulous assistant—Heydrich. Himmler is, undoubtedly, the leader of the Radical section of the régime; he is said to have considerable intelligence and governing ability, to exercise great and increasing influence on foreign policy and definitely to aspire to the highest post. In this he is the great rival and enemy of Goering, and much of the recent history of the German Revolution centres round the struggle between these two—because if Himmler is the "Heir Presumptive", Goering is the "Heir Apparent".

It is said that should Hitler die, or appear to be doing so, these two would swiftly fight it out with bullets, but opinion inclines to Himmler being "quicker on the draw". With his Gestapo and S.S. (the only *long-service* troops in Germany),

Himmler commands enormous physical force organised on the same lines (only, probably, even more efficiently) as the OGPU with its special troops in Russia.

Joachim von Ribbentrop (45), the Foreign Minister, has had one of the most meteoric careers of the German revolution—his successes being achieved more by the weaknesses of those he had to deal with than by his own merits. As he has succeeded in his career (bank official, merchant, diplomat), his arrogance and vanity have increased, as also a tendency to cherish acute resentment where he has met with reverses. This latter aspect of his character explains his hostility to the professional and aristocratic representatives of the old régime in Germany who never quite accepted him despite a successful marriage, his gradual identification with the radical elements of the Party and his persistent effort to nazify the diplomatic service. It also explains his hate for Britain (and to a lesser extent, France), which is the keystone of his policy. His failure in London at a critical period of Anglo-German relations was complete.

He has undoubtedly a flair for summing up the weaknesses of his opponents. In the teeth of formidable "expert" opposition, he has always advocated to Hitler an aggressive policy, insisting that the democratic Powers, and particularly Britain, would not, in spite of verbal assertions, put up any effective opposition. In this he has been repeatedly proved right—to the discomfiture of the moderate elements in Germany. His first success was the Anglo-German Naval Agreement, on which he had

staked his reputation, because at that time he had little support in the Party and relied almost solely on Hitler's favour. This latter has been remarkably constant, so that one may reasonably suspect that Ribbentrop's destructive policy is, in fact, Hitler's own. Certainly Ribbentrop is now one of the exponents of aggressive revolutionary National Socialism—and, inasmuch as he has no great intellectual powers, he may, with good reason, be regarded as influenced by the ideas on foreign policy of Himmler and Goebbels. In view of their *Weltanschauung* and his personal hates and ambitions, this bodes no good to the democracies, especially Britain.

Joseph Goebbels (41), Minister of Propaganda, is the brains of the Nazi movement and, at first, probably had as wide influence and popularity as Hitler. Potentially, he is still one of the strongest influences in Germany, because his great brilliance, coupled with the superb machine which he controls, give him enormous power. But his personal prestige has steadily declined; he has now very few friends, and is almost universally disliked. The main reason for this is his unpleasant character. He is also considered to use his power and resources for his own ends. This flaw in his character has, probably, a physical cause—the fact that he is a cripple must exercise a profound psychological influence on him as a leader of a régime which worships manly physique, and this feeling of inferiority shows itself in the vicious outbursts of hate he indulges in.

And yet, with all his repellent features, he exercises

an extraordinary fascination, not only on the masses, but also on discriminating audiences. It is true that for the former he has all the elaborate modern machinery of mob control, but his technique with smaller and more educated (even critical) audiences is much more interesting: he fixes them with wide-open, candid eyes and uses excellently constructed phraseology in a fine, well-modulated voice, with perfect control of gesture—a technique which has been known to mesmerise even hardened sceptics.

Temperamentally, he is undoubtedly an intellectual revolutionary demagogue—spiritually much more akin to the Russian Revolution than to the German—and as such the intellectual leader of Nazi Radicalism: a National Bolshevik rather than a National Socialist. The moral lesion in his nature, coupled with his undoubted genius for mass-hypnosis and violently bigoted outlook, makes him exceedingly dangerous. At the same time, although exercising great influence at times on individuals—e.g., Hitler—he has virtually no friends or following: whereas at one time the great issue of the future was the rivalry between Goering and Goebbels, now this no longer is so, simply because Goebbels is alone. Therefore, if he were to disappear, this would not mean necessarily that the moderates had triumphed, or that the radical element had suffered an irreparable loss.

Rudolf Hess (44), the Fuehrer's Deputy, and, as such, head of the Party (*i.e.*, all Party Organisations are co-ordinated under him), is the *fidus Achates* of Hitler, absolutely loyal and honest, but with no great intelligence or personal ambitions. Widely

acknowledged as straightforward and a fine character—"much too decent to be a politician", in the words of one who knew him—he has perhaps just for this reason never succeeded in dominating party politics (somewhat to the disappointment, it is believed, of his friends, including Hitler). He is exceedingly useful to Hitler owing to his untiring devotion during times of violent political stress and nervous tension or collapse. Without being temperamentally a firebrand, he often goes to limits of extremism out of sheer loyalty to the idea and his leader, as well as lack of finesse. Owing to absence of cunning and ruthlessness, he is not a particularly good Party administrator (as increasingly frequent demonstrations of independence by regional or local leaders show). A fine physical type—although of such non-Nordic appearance as to be nicknamed in the Party "the Mulatto" or "the Egyptian"—his private life is thoroughly normal. His birthplace is Egypt, where his parents are living and have trade interests: he himself is said to regard the Levant as a German area of development.

Hjalmar Schacht (62), former President of the Reichsbank and still a Cabinet minister, is, after Hitler, perhaps the most interesting figure of modern Germany. It is said that from an early age Dr. Schacht had set his mind on being the most indispensable, and therefore the greatest, man in Germany: for this he has the admirable qualifications of great intelligence, wide technical knowledge, experience and skill, much personal courage, strength of character, considerable cynicism—not to say bare-faced roguery—and a certain degree of persuasive

charm. Running through all this there is a streak of impish—almost perverse—humour, which surreptitiously helps in building up a Schacht legend of the Mystery Man of German Finance while working diligently at denying it—but in a manner which suggests that it is, in fact, true. A highly characteristic story is his reply to an inquiry from a foreigner at a time of various rumours of his retirement: “Please publish it in your country from Dr. Schacht officially that all rumours about him are perfectly true, especially those which are mutually contradictory.” This streak appears also in more serious issues.

Undoubtedly, Dr. Schacht is largely responsible for the technical arrangements of German finance for some years past, but it would be unfair to ascribe to him the theories or principles on which they are based. He is at heart probably a liberal economist, but while doing his best under the circumstances, he did not propose to go against *force majeure*. The time, he firmly believes, will come when Germany will need a super-financier to reconstruct her currency and reintroduce her into the comity of nations, and only one man will be acknowledged capable of this task: Dr. Schacht. Until then—

*“He’s called unprincipled; that’s not a fact,
For he believes in God and Dr. Schacht.”*

Robert Ley (49), leader of the *Arbeitsfront*, is the “dark horse” of the régime. He is an enthusiastic theoretical Socialist and Trade-Union Leader (interested in labour problems long before Hitler came into power), with extravagant ideas, for which

he used frequently to be laughed at, even by his colleagues of the Party hierarchy. A genius for organising (the whole Parteitag at Nuremberg is under his charge), he has a scope for indulging both his organising powers and his fantasies undreamed of under any other régime, in that he controls, in the *Arbeitsfront*, a single "super Trade Union" over 20 million strong, with huge funds (all contributions are centralized) that are used (such is the nature of the régime) to give the working classes bigger and better communal entertainments in default of better conditions of work and pay.

Hence, as economic and social difficulties grow, so does Dr. Ley's importance—because he is head of what is the biggest organisation in the State, far bigger than the Party (which numbers only about 8 million). Posing as the plain man, he affects, like the Fuehrer, the light-brown simple Burberry and brown cap, and (as far as one can judge) does not intrude too actively in politics—remembering, no doubt, the example of that other leader of an organised mass, one Captain Roehm.

Walter Darre (43), the Minister of Agriculture, was always one of the "radical" members of the régime, and has introduced Socialist measures for agriculture, including strict control of production by the State, which has powers of compulsory purchase. This has made him extremely unpopular, even though, at first, he secured the peasants' favour by establishing fixed prices for produce. He has also been extremely unsound and wild in his crop estimates, and so made bad miscalculation as to the degree of German self-sufficiency. In addition, he

has been unable (or unwilling) to tackle the old problem of the big Prussian landowners. He has thus suffered recently not only wide unpopularity, but also loss of prestige. On any Party issue, he may be expected to be in the extremist camp.

Wilhelm Frick (61) (Minister of the Interior) and *Hans Frank* (Minister of Justice) are both decent, reasonable men, of proved loyalty, but no great genius or will-power. As such, they have little influence or prominence, specially at a time when moderation and restraint are at a discount and ruthlessness and brutal ardour flourish. Certainly the régime's excesses at home cannot be laid at the door of these men: in fact, there is evidence to the contrary. They are good examples of a type which genuinely believes in the better Nazi aspirations and is proud of its positive achievements. But the decisions are now not in their hands.

Dr. Alfred Rosenberg (46) is often considered the originator of the Nazi-Christian religion, and the Eastern expansion policy. This is true in a sense, but Rosenberg has hardly done more than canalise and help to develop under favourable circumstances the ideas of others. His somewhat elaborate organisation within the Party now seems to overlap several other departments and no longer to serve a very useful purpose.

A Russian Balt by origin, he was neither popular nor successful in his youth, and always held queer ideas, which warped his nature. He cherishes thoughts of a revival of German colonisation in the East, following the example of the mediæval

Teutonic Order. His ideas, expounded with some richness of imagination and technical skill, were particularly convenient for inciting the "old Germanic spirit" not only against liberalism and internationalism, but also such strongholds as the Church. In particular, since it was necessary to capture the youth, he was drawn into close association with the Youth Leader, Baldur v. Schirach. Whatever may be Rosenberg's rôle now, certainly in the "transition years" of 1935-37 he exercised a profound influence on the Hitler Youth organisations, and in particular on the choice and education of the Youth leaders (from whom the future Party and State chiefs are to be picked), the primary aim being to undermine the traditional influence of aristocracy and Church. Some success was achieved, and one has heard it said that the German youth has been lost to religion and civilisation.

Baldur v. Schirach (31), the Reich Youth leader, appears to be primarily an agent of Himmler. He has an unattractive personality and his reputation is none too good. His rise may partly be due to family connections, for he is related by marriage to Hoffman, Hitler's exclusive photographer (an important post in a régime so dependent on propaganda). The strong antipathy to the Hitler Youth Organisations among so many decent German families and in the Churches is in part inspired by distrust of von Schirach.

Julius Streicher (54), the Gauleiter of Nuremberg and Jew-Baiter-in-Chief, is the arch-sadist of the Nazi Party—a type which, fortunately, is not in positions of first importance, although there are a

number only a few removes from the top. He has no ascertainable merits, and his freedom to indulge his passions is due to the considerable independence enjoyed by local leaders and to the support of Goebbels.

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